NOVEMBER 2000 $4.00/£3.00

CURRENT PERIODICALS ROOM NOV 14 2000 BROOKLYN COLLEGE LIBRARY

MONTHLY REVIEW

VOL. 52 6

AN INDEPENDENT SOCIALIST MAGAZINE

Journalism, Democracy, . . . and Class Struggle

Robert W. McChesney

A "Red" Government in the South of Brazil

Michael Löwy

Marx@2000.com

Andy Merrifield

Also*: The Political Economy of Crime by George Winslow; Ellen Leopold on Rosalyn Baxandall and Elizabeth Ewen's *Picture Windows: How the Suburbs Happened

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MONTHLY REVIEW VOLUME 52 NUMBER 6 NOVEMBER 2000

Editors:
Paul M. Sweezy
Harry Magdoff
Leo Huberman (1903-1968)

Acting Editors:
John Bellamy Foster
Robert W. McChesney

Assistant Editor:
Vicki Larson

Circulation Manager:
Martin Paddio

REVIEW OF THE MONTH:
Journalism, Democracy, . . . and Class Struggle
by Robert W. McChesney. 1

A "Red" Government in the South of Brazil
by Michael Löwy 16

Marx@2000.com
by Andy Merrifield 21

Capital Crimes:
The Political Economy of Crime in America
by George Winslow 38

BOOKS
The Levittown Legacy
by Ellen Leopold 54

NOTES FROM THE EDITORS

Dissatisfaction with what has happened to the study of economics is producing a rapidly growing revolt among economics students in France, Britain, the United States, and elsewhere. Within a matter of months, this new movement has made considerable inroads in exposing the meaninglessness of orthodox economics in contemporary capitalist societies. Students are eagerly looking for answers about the issues of the day, such as expanding globalization, growing dominance of international finance, increasing polarization between the rich and poor nations and between the rich and poor of each nation. But orthodox economics has no meaningful answers to any of these questions—a fact that has fed the widening rebellion among economics students in numerous countries. Before reporting on this new discontent, we need to provide some background on how economics has been transformed, since its classical period, into a study that is becoming more and more irrelevant.

Marx and Engels and their classical predecessors understood political economy to be the study of the production and distribution of what *MR* founding editor Leo Huberman called our "worldly goods." To them, it was obvious that production and distribution are social activities; and that the nature of the social relations of production and distribution are of most interest to the political economist.

The political economy of Marx and Engels differed profoundly from that of the other classical theorists, but it would never have occurred to any of the classical economists to consider production and distribution in isolation from the social relationships people engaged in as they produced the output and contended for its distribution. Yet this is exactly what modern, "neoclassical" economists do. They presume an isolated, autonomous, and totally self-serving individual. This "homo economicus" has unlimited wants and is never satisfied. However, an unlimited supply of goods cannot be produced because resources

(continued on inside back cover)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Journalism, Democracy, . . . and Class Struggle

by Robert W. McChesney

Socialists since the time of Marx have been proponents of democracy, but they have argued that democracy in capitalist societies is fundamentally flawed. In capitalist societies, the wealthy have tremendous social and economic advantages over the working class that undermine political equality, a presupposition for viable democracy. In addition, under capitalism the most important economic issues—investment and control over production—are not the province of democratic politics but, rather, the domain of a small number of wealthy firms and individuals seeking to maximize their profit in competition with each other. This means that political affairs can only indirectly influence economics, and that any party or individual in power has to be careful not to antagonize wealthy investors so as to instigate an investment strike and an economic collapse that would generally mean political disaster.

For socialists, the purpose of class politics is to eliminate class exploitation, poverty, and social inequality and to lay the foundation for a genuine democracy, where people truly rule their own lives. The strategy and tactics best suited to accomplishing

Robert W. McChesney teaches at the University of Illinois in Champaign-Urbana and is an Acting Editor of *Monthly Review*. Portions of this essay appear in the preface to the paperback version of his *Rich Media, Poor Democracy: Communication Politics in Dubious Times* (New York: New Press, 2000). Endnotes may be found in the book or requested from the *MR* office.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

these goals have been the subject of tremendous debate among socialists, but the goals have almost always been the same. For most of their history, socialists have been at the forefront of movements to extend the franchise and the scope of democracy, both within capitalist societies and extending beyond capitalist property relations.

A central concern in democratic theory of all stripes is how people can have the information, knowledge, and forums for communication and debate necessary to govern their own lives effectively. The solution to this problem is found, in theory, in systems of education and media. But then the nature of the educational and media systems comes into focus as a crucial issue. If these systems are flawed and undermine democratic values, it is awfully difficult to conceive of a viable democratic society. Therefore, public debates over education and media policy are central to debates over the nature of democracy in any given society. Today, for example, the United States is in the midst of a massive campaign by the political right to privatize education, effectively dismantling public education systems, making the system explicitly class-based, and subjecting education for the non-elite to commercial values. The antidemocratic implications of these developments can hardly be exaggerated.

The situation is even more severe for democratic values in media, though this receives far less attention in the official political culture. In particular, journalism is that product of the media system that deals directly with political education. Within democratic theory, there are two indispensable functions that journalism must serve in a self-governing society. First, the media system must provide a rigorous accounting of people in power and people who want to be in power, in both the public and private sector. This is known as the watchdog role. Second, the media system must provide reliable information and a wide range of informed opinions on the important social and political issues of the day. No single medium can or should be expected to provide all of this; but the media system as a whole should provide easy access to this for all citizens. Unless a society has a journalism that approaches these goals, it can scarcely be a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

self-governing society of political equals.

By these criteria, the U.S. media system is an abject failure. It serves as a tepid and weak-kneed watchdog over those in power. And it scarcely provides any reliable information or range of debate on most of the basic political and social issues of the day. As Jeff Cohen, the founder of Fairness & Accuracy in Reporting (FAIR), puts it, on those issues covered the range of debate extends from General Electric (GE) to General Motors (GM). The media system is, in short, an antidemocratic force. But that should not surprise us. The media system in the United States does not exist to serve democracy, it exists to generate maximum profit to the small number of very large firms and billionaire investors. It does this job very well. So, in media, we see the core contradiction of our age, where the democratic interests of the many are undermined by the private selfish interests of the powerful few.

The Rise and Fall of Professional Journalism

Much discussion of journalism is predicated on a notion that it is a professional enterprise, politically neutral in tone, and independent of commercial values. This is a fairly recent notion historically, so let's put it in context. Although in many respects the problem of the media for democracy is more important today than ever before, it is a problem as old as democracy itself. When the U.S. constitution was drafted in 1789, it included explicit provisions regarding copyright, so as to balance the interests of authors with those of the broader community for inexpensive information. When the First Amendment was passed two years later, it included the specific protection of a free press (in addition to several other core freedoms, including speech and assembly). The concern was that the dominant political party or faction would outlaw opposition newspapers—all newspapers were partisan in orientation at the time—unless they were prohibited from doing so, as was then the common practice in Europe. If there could be no dissident press, there could be no democracy. Karl Marx, who supported himself for much of his life as a journalist, was a steadfast proponent of this notion of a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

free press.

During the nineteenth century, the press system remained explicitly partisan but it increasingly became an engine of great profits as costs plummeted, population increased, and advertising—which emerged as a key source of revenues—mushroomed. The commercial press system became less competitive and ever more clearly the domain of wealthy individuals, who usually had the political views associated with their class. Throughout this era, socialists, feminists, abolitionists, trade unionists, and radicals *writ large* tended to regard the mainstream commercial press as the mouthpiece of their enemies, and established their own media to advance their interests. Indeed, the history of the left and left media during this period are almost interchangeable.

The twentieth century, with the rise of monopoly capital, witnessed a sea change in U.S. media. On the one hand, the dominant newspaper industry became increasingly concentrated into fewer massive chains and all but the largest communities only had one or two dailies. The economics of advertising-supported newspapers erected barriers to entry that made it virtually impossible for small, independent newspapers to succeed, despite the protection of the constitution for a "free press." At the same time, new technologies helped pave the way for the commercial development of national magazines, recorded music, film, radio, and, later, television as major industries. These all became highly concentrated industries and engines of tremendous profits. (By 2000, the largest media and communication firms rank among the largest firms in the economy.)

At the beginning of the twentieth century these developments led to a crisis of sorts for U.S. media—or the press, as it was then called. Commercial media were coming to play a larger and larger role in people's lives (and by 1999, media consumption would increase to more than eleven hours per day for the average American) yet the media industries were increasingly the province of a relatively small number of large commercial concerns operating in noncompetitive markets. The era of the viable "alternative" press was in rapid retreat. The First Amendment promise of a "free press" was being altered fundamentally. What

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CURRENT PERIODICALS ROOM
NOV 14 2000
BROOKLYN COLLEGE LIBRARY

was originally meant as a protection for citizens effectively to advocate diverse political viewpoints was being transformed into commercial protection for media corporation investors and managers in noncompetitive markets to do as they pleased to maximize profit with no public responsibility.

In particular, the rise of the modern commercial press system drew attention to the severe contradiction between a privately held media system and the needs of a democratic society, especially in the provision of journalism. It was one thing to posit that a commercial media system worked for democracy when there were numerous newspapers in a community, when barriers to entry were relatively low, and when immigrant and dissident media proliferated widely, as was the case for much of the nineteenth century. For newspapers to be partisan at that time was no big problem because there were alternative viewpoints present. It was quite another thing to make such a claim by the late nineteenth and early twentieth century when all but the largest communities only had one or two newspapers, usually owned by chains or very wealthy and powerful individuals. For journalism to remain partisan in this context, for it to advocate the interests of the owners and the advertisers who subsidized it, would cast severe doubt on the credibility of the journalism. As Henry Adams put it at the time, "The press is the hired agent of a monied system, set up for no other reason than to tell lies where the interests are concerned." In short, it was widely thought that journalism was explicit class propaganda in a war with only one side armed. Such a belief was very dangerous for the business of newspaper publishing, as many potential readers would find it incredible and unconvincing.

It was in the cauldron of controversy, during the Progressive era, that the notion of professional journalism came of age. Savvy publishers understood that they needed to have their journalism appear neutral and unbiased, notions entirely foreign to the journalism of the era of the Founding Fathers, or their businesses would be far less profitable. Publishers pushed for the establishment of formal "schools of journalism" to train a cadre of professional editors and reporters. None of these schools existed

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in 1900; by 1915, all the major schools such as Columbia, Northwestern, Missouri, and Indiana were in full swing. The notion of a separation of the editorial operations from the commercial affairs—termed the separation of church and state—became the professed model. The argument went that trained editors and reporters were granted autonomy by the owners to make the editorial decisions, and these decisions were based on their professional judgment, not the politics of the owners and the advertisers, or their commercial interests to maximize profit. Readers could trust what they read. Owners could sell their neutral monopoly newspapers to everyone in the community and rake in the profits.

Of course, it took decades for the professional system to be adopted by all the major journalistic media. The first half of the twentieth century is replete with owners like the *Chicago Tribune*'s Colonel McCormick, who used their newspapers to advocate their fiercely partisan (and, almost always, far-right) views. (McCormick's *Tribune* was so reactionary that when Hitler came to power, the *Tribune*'s European correspondent defected to work for the Nazi propaganda service.) And it is also true that the claim of providing neutral and objective news was suspect, if not entirely bogus. Decision-making is an inescapable part of the journalism process, and some values have to be promoted when deciding why one story rates front-page treatment while another is ignored.

Specifically, the realm of professional journalism had three distinct biases built into it, biases that remain to this day. First, to remove the controversy connected with the selection of stories, it regarded anything done by official sources, e.g. government officials and prominent public figures, as the basis for legitimate news. This gave those in political office (and, to a lesser extent, business) considerable power to set the news agenda by what they spoke about and what they kept quiet about. It gave the news a very establishment and mainstream feel. Second, also to avoid controversy, professional journalism posited that there had to be a news hook or a news peg to justify a news story. This meant that crucial social issues like racism or environmental degradation fell through the cracks of journalism unless there was some

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

event, like a demonstration or the release of an official report, to justify coverage. So journalism tended to downplay or eliminate the presentation of a range of informed positions on controversial issues. This produces a paradox: journalism which, in theory, should inspire political involvement tends to strip politics of meaning and promote a broad depoliticization.

Both of these factors helped to stimulate the birth and rapid rise of the public-relations (PR) industry, the purpose of which was surreptitiously to take advantage of these two aspects of professional journalism. By providing slick press releases, paid-for "experts," ostensibly neutral-sounding but bogus citizens groups, and canned news events, crafty PR agents have been able to shape the news to suit the interests of their mostly corporate clientele. Or as Alex Carey, the pioneering scholar of PR, put it, the role of PR is to so muddle the public sphere as to "take the risk out of democracy" for the wealthy and corporations. PR is welcomed by media owners, as it provides, in effect, a subsidy for them by providing them with filler at no cost. Surveys show that PR accounts for anywhere from 40 to 70 percent of what appears as news.

The third bias of professional journalism is more subtle but most important: far from being politically neutral, it smuggles in values conducive to the commercial aims of the owners and advertisers as well as the political aims of the owning class. Ben Bagdikian, author of *The Media Monopoly*, refers to this as the "dig here, not there" phenomenon. So it is that crime stories and stories about royal families and celebrities become legitimate news. (These are inexpensive to cover and they never antagonize people in power.) So it is that the affairs of government are subjected to much closer scrutiny than the affairs of big business. And of government activities, those that serve the poor (e.g., welfare) get much more critical attention than those that serve primarily the interests of the wealthy (e.g., the CIA and other institutions of the national security state), which are strictly off-limits. The genius of professionalism in journalism is that it tends to make journalists oblivious to the compromises with authority they routinely make.

Professional journalism hit its high water mark in the United

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

States from the 1950s into the 1980s. During this era, journalists had relative autonomy to pursue stories and considerable resources to use to pursue their craft. But there were distinct limitations. Even at its best, professionalism was biased toward the status quo. The general rule in professional journalism is this: if the elite, the upper 1 or 2 percent of society who control most of the capital and rule the largest institutions, agree on an issue then it is off-limits to journalistic scrutiny. Hence, the professional news media invariably take it as a given that the United States has a right to invade any country it wishes for whatever reason it may have. While the U.S. elite may disagree on specific invasions, none disagrees with the notion that the U.S. military needs to enforce capitalist interests worldwide. Similarly, U.S. professional journalism equates the spread of "free markets" with the spread of democracy, although empirical data show this to be nonsensical. To the U.S. elite, however, democracy is defined by their ability to maximize profit in a nation, and that is, in effect, the standard of professional journalism. In sum, on issues such as these, U.S. professional journalism, even at its best, serves a propaganda function similar to the role of *Pravda* or *Izvestia* in the old USSR.

The best journalism of the professional era came (and still comes) in the alternative scenarios: when there were debates within the elite or when an issue was irrelevant to elite concerns. So important social issues, like civil rights or abortion rights or conflicts between Republicans and Democrats (such as Watergate), tended to get superior coverage to issues of class or imperialism, like the weakening of progressive income taxation, the size and scope of the CIA's operations, or U.S.-sponsored mass murder in Indonesia. But one should not exaggerate the amount of autonomy journalists had from the interests of owners, even in this "golden age." In every community there was a virtual Sicilian Code of silence, for example, regarding the treatment of the area's wealthiest and most powerful individuals and corporations. Media owners wanted their friends and business pals to get nothing but kid-gloves treatment in their media and so it was, except for the most egregious and boneheaded

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

maneuver.

The professional autonomy of U.S. journalism, limited as it was, came under sustained attack in the 1980s and after nearly two decades is only a shell of its former self. The primary reason for this is that, beginning in the 1980s, the relaxation of federal ownership regulations and new technologies made vastly larger media conglomerates economically feasible and, indeed, mandatory. Today some seven or eight firms dominate the U.S. media system, owning all the major film studios, music companies, TV networks, cable TV channels and much, much else. Another fifteen or so companies round out the system; between them they own the overwhelming preponderance of media that Americans consume. As nearly all the traditional news media became small parts of vast commercial empires, owners logically cast a hard gaze at their news divisions and determined to generate the same sort of return from them that they received from their film, music, and amusement park divisions. This meant laying off reporters, closing down bureaus, using more free PR material, emphasizing inexpensive trivial stories, focusing on news of interest to desired upscale consumers and investors, and generally urging a journalism more closely tuned to the bottom-line needs of advertisers and the parent corporation. The much-ballyhooed separation of church and state was sacrificed on the altar of profit.

This has meant that all the things professional journalism did poorly in its heyday, it does even worse today. And those areas where it had been adequate or, at times, more than adequate, have suffered measurably. Empirical studies chronicle the decline of journalism in numbing detail. Perhaps the most striking indication of the collapse of professional journalism comes from the editors and reporters themselves. As recently as the mid 1980s, professional journalists tended to be stalwart defenders of the media status quo, and they wrote book after book of war stories celebrating their vast accomplishments. Today the thoroughgoing demoralization of journalists is striking and palpable. One need only go to a bookstore to see title after title by prominent journalists lamenting the decline of the craft due to corporate and commercial pressure. As Jim Squires, former editor of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Chicago Tribune put it, our generation has witnessed the "death of journalism."

Journalism as Ideological Class Warfare

All of this suggests that contemporary journalism poses a severe problem for the left and democratic forces. It is the class bias that is the biggest obstacle. In the 1940s, most medium- and large-circulation daily newspapers had fulltime labor-beat reporters, sometimes several of them. The coverage was not necessarily favorable to the labor movement, but it existed. Today there are less than ten fulltime labor reporters in the media; coverage of working-class economic issues has all but ceased to exist in the news. Conversely, mainstream news and "business news" have effectively morphed over the past two decades as the news is increasingly pitched to the richest one-half or one-third of the population. The affairs of Wall Street, the pursuit of profitable investments, and the joys of capitalism are now presented as the interests of the general population. Journalists rely on business or "free market"-loving, business-oriented think tanks as sources when covering economics stories.

The dismal effects of this became clear in 1999 and 2000 when there were enormous demonstrations in Seattle and Washington, D. C. to protest meetings of the World Trade Organization (WTO), the World Bank, and the International Monetary Fund (IMF). Here, finally, was the news hook that would permit journalists to examine what may be the most pressing political issues of our time. The coverage was skimpy, and paled by comparison to the round-the-clock treatment of the John F. Kennedy, Jr., plane crash. News coverage of the demonstrations tended to emphasize property damage and violence and, even there, it downplayed the activities of the police. There were, to be fair, some outstanding pieces produced by the corporate media, but those were the exceptions to the rule. The handful of good reports that did appear were lost in the continuous stream of procapitalist pieces. In addition to relying upon probusiness sources, it is worth noting that media firms are also among the leading beneficiaries of these global capitalist trade deals, which

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

helps explain why their coverage of them throughout the 1990s was so decidedly enthusiastic. The sad truth is that the closer a story gets to corporate power and corporate domination of our society, the less reliable the corporate news media are.

It is also worth noting that the WTO demonstrations launched a troubling degeneration of media coverage of large public demonstrations that grew worse in Washington in April 2000 and at the Republican and Democratic conventions this summer. By the time of the conventions, demonstrators were being ignored altogether in the press or treated with contempt. As police in Philadelphia and Los Angeles effectively terminated the right of free assembly for Americans, the corporate news media regurgitated the press releases of the police and of the spinmeisters inside the convention halls. Even by the deplorable standard of news coverage of antiwar demonstrations in the 1960s and 1970s, this was a striking lack of concern for the termination of elementary civil liberties.

In recent years, this increased focus by the commercial news media on the more affluent part of the population has reinforced and extended the class bias in the selection and tenor of material. Stories of great importance to tens of millions of Americans will fall through the cracks because those are not the "right" Americans, according to the standards of the corporate news media. Consider, for example, the widening gulf between the richest 10 percent of Americans and the poorest 60 percent of Americans that has taken place over the past two decades. Throughout the 1980s and 1990s, real income declined or was stagnant for the lower 60 percent, while wealth and income for the rich skyrocketed. By 1998, discounting home ownership, the top 10 percent of the population claimed 76 percent of the nation's net worth, and more than half of that is accounted for by the richest 1 percent. The bottom 60 percent has only a minuscule share of total wealth, aside from some home ownership; by any standard, the lowest 60 percent is economically insecure, weighed down as it is by very high levels of personal debt.

As Lester Thurow notes, this peacetime rise in class inequality may well be historically unprecedented and is one of the main

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

developments of our age. It has tremendously negative implications for our politics, culture, and social fabric, yet it is barely noted in our journalism—except for rare mentions when the occasional economic report points to it. One could say that this can be explained by the lack of a news peg that would justify coverage, but that is hardly tenable when one considers the cacophony of news media reports on the economic boom of the past decade. In the crescendo of news media praise for the genius of contemporary capitalism, it is almost unthinkable to criticize the economy as deeply flawed. To do so would seemingly reveal one as a candidate for an honorary position in the Flat-Earth Society. The *Washington Post* has gone so far as to describe ours as a nearly "perfect economy." And it does, indeed, appear more and more perfect the higher one goes up the socioeconomic ladder, which points to the exact vantage point of the corporate news media.

For a related and more striking example, consider one of the most astonishing trends lately, one that receives little more coverage than O. J. Simpson's boarder Kato Kaelin's attempts to land a job or a girlfriend: the rise of the prison-industrial complex and the incarceration of huge numbers of people. The rate of incarceration has more than doubled since the late 1980s, and the United States now has five times more prisoners per capita than Canada and seven times more than Western Europe. The United States has 5 percent of the world's population and 25 percent of the world's prisoners. Moreover, nearly 90 percent of prisoners are jailed for nonviolent offenses, often casualties of the so-called drug war.

The sheer quantity of prisoners is not even half of it. Recent research suggests that a significant minority of those behind bars may well be innocent. Consider the state of Illinois, where, in the past two decades, more convicted prisoners on death row have been found innocent of murder than have been executed. Or consider the recent published work of the Innocence Project, which has used DNA testing to get scores of murder and rape convictions overturned. In addition, the conditions inside the prisons themselves tend far too often to be reprehensible and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

grotesque, in a manner that violates any humane notion of legitimate incarceration. It should be highly disturbing and the source of public debate for a free society to have so many people stripped of their rights. Revolutions have been fought and governments have been overthrown for smaller affronts to the liberties of so many citizens. Instead, to the extent that this is a political issue, it is a debate among Democrats and Republicans over who can be "tougher" on crime, hire more police, and build more prisons. Almost overnight, the prison-industrial complex has become a big business and a powerful lobby for public funds.

This is an important story, one thick with drama and excitement, corruption and intrigue. In the past two years, several scholars, attorneys, prisoners, and freelance reporters have provided devastating accounts of the scandalous nature of the criminal justice system, mostly in books published by small, struggling presses. Yet this story is hardly known to Americans who can name half the men Princess Diana had sex with or the richest Internet entrepreneurs. Why is that? Well, consider that the vast majority of prisoners come from the bottom quarter of the population in economic terms. It is not just that the poor commit more crimes; the criminal justice system is also stacked against them. "Blue-collar" crimes generate harsh sentences while "white-collar" crime—almost always netting vastly greater amounts of money—gets kid-gloves treatment by comparison. In 2000, for example, a Texas man received sixteen years in prison for stealing a Snickers candy bar, while, at the same time, four executives at Hoffman-LaRoche Ltd. were found guilty of conspiring to suppress and eliminate competition in the vitamin industry, in what the Justice Department called perhaps the largest criminal antitrust conspiracy in history. The cost to consumers and public health is nearly immeasurable. The four executives were fined anywhere from seventy-five thousand dollars to 350,000 dollars and they received prison terms ranging from three months all the way up to . . . four months.

Hence, the portion of the population that ends up in jail has little political clout, is least likely to vote, and is of less business interest to the owners and advertisers of the commercial news

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

media. It is also a disproportionately nonwhite portion of the population, and this is where class and race intersect and form their especially noxious American brew. Some 50 percent of U.S. prisoners are African-American. In other words, these are the sort of people that media owners, advertisers, journalists, and desired upscale consumers do everything they can to avoid, and the news coverage reflects that sentiment. As Barbara Ehrenreich has observed, the poor have vanished from the view of the affluent; they have all but disappeared from the media. And in those rare cases where poor people are covered, studies show that the news media reinforce racist stereotypes, playing into the social myopia of the middle and upper classes. There is ample coverage of crime in the news media, but it is used to provide inexpensive, graphic, and socially trivial filler. The coverage is almost always divorced from any social context or public policy concerns and, if anything, it serves to enhance popular paranoia about crime waves and prod political support for tough-talking, "three strikes and you're out" programs.

Imagine, for one moment, that instead of being from the bottom quarter, nearly all the prisoners were from the richest quarter of the population. Imagine that the students attending Yale or the University of Illinois, for example, had half of their friends behind bars or dead from a confrontation with police, and that they had been hassled by the police for being "suspects" in some crime. Imagine, too, that their parents had the same experiences, and that they knew that many of those friends in prison were innocent. Imagine the donations the ACLU would receive! Would this be a news story then? Of course it would, but this is hypothetical, because the problem would have been eliminated long before it could have reached that point, and it would have been eliminated because it would have been the biggest political and news story of our era.

Journalism, Media and Democratic Politics

The implications of this for the left and democratic activists are self-evident. We cannot communicate using the dominant means of communication, and our viewpoints—when covered—will

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tend to be trivialized or distorted. This points to the importance for the left and progressive organizations to redouble their efforts to support independent media. Some argue that with the rise of the Internet, the corporate media system and mainstream journalism will go the way of the dodo bird as billions of media websites offer a sumptuous feast of media. The track record so far, however, makes it clear that this will not happen. To the extent that the Internet becomes part of the commercial media system, it looks to be dominated by the usual corporate suspects. Their power is based not just on technology, but on political and economic muscle. To create and disseminate effective media requires resources and institutional support. Technology won't rescue us, although we do need to take advantage of it to the best of our abilities.

Ultimately, we need to press for the overhaul of the media system, so that it serves democratic values rather than the interests of capital. The U.S. media system is not "natural," it has nothing to do with the wishes of the Founding Fathers, and it has even less to do with the workings of some alleged free market. To the contrary, the media system is the result of laws, government subsidies, and regulations made in the public's name, but made corruptly behind closed doors without the public's informed consent. The largest media firms are all built on top of the profits generated by government gifts of monopoly rights to valuable broadcasting spectrum or monopoly cable franchises. The value of this corporate welfare, over the past seventy-five years, can only be estimated, but it probably runs into the hundreds of billions of dollars.

Our job is to make media reform part of our broader struggle for democracy, social justice, and, dare we say it, socialism. It is impossible to conceive of a better world with a media system that remains under the thumb of Wall Street and Madison Avenue, under the thumb of the owning class. It is nearly impossible to conceive of the process of getting to a better world without some changes in the media status quo. We have no time to waste.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A "Red" Government in the South of Brazil

by Michael Löwy

For ten years, the Brazilian Workers Party (PT) has run city hall in Porto Alegre, the capital of Rio Grande do Sul state (on the border with Uruguay) and one of the main cities in the country. The PT is quite an original party, founded in 1980 by unionists, leftist Christians, and Marxist militants, all convinced that the emancipation of the workers will be the task of the workers themselves and stirred by the desire to invent a different, radical, democratic, libertarian socialism that breaks with the old models of Stalinism and social democracy. The current mayor, Raul Pont, a former director of the teachers' union, belongs to the PT's most radical current, the Socialist Democracy tendency, which bases itself on the Fourth International.

The PT's "reds" (the color of the party's flag) have won city hall three times because their management of municipal affairs is radically different from that of the various bourgeois politicians: no corruption, no nepotism, a priority for the needs of poor and working-class neighborhoods and, above all, an inspiring experiment with direct democracy called the participatory budget.

This is a system that lets local populations in each neighborhood of Porto Alegre decide, in assemblies that are open to the entire population, the priorities for the public budget allocated to their locality. In other words, it is the population itself which determines, in an original demonstration of direct democracy, if the budget's funds should be used to build a road, a school, or a medical center. Subsequent assemblies let the population monitor the implementation of the chosen projects, while a City

Michael Löwy is the author of *On Changing the World* (Boston: Humanities Press, 1992). He is a frequent contributor to *Monthly Review*.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Council of the Participatory Budget, made up of delegates elected by the assemblies, manages the distribution of the budget to the different neighborhoods, following criteria decided on in common.

Admittedly, it is only a minority of the population—some tens of thousands of people in Porto Alegre—that participate in the participatory budget assemblies, but since the assemblies are open to the whole population, the system enjoys a great legitimacy and popularity. The participatory budget is, without a doubt, one of the main reasons for the PT's electoral victories in the Porto Alegre municipal races and, more recently, the elections for the Rio Grande do Sul state government.

This state is one of the most important in the country in terms of population and economic development. The majority of its population is made up of descendants of European immigrants, notably Italian and German. It is traditionally oriented to the left but, for some time, the dominant tendency was the "workerist" populism of President Vargas and his political heir, Leonel Brizola. It is only since the end of the 1980s that the hegemonic force on the left has become, in the state capital, the Workers Party. Significantly, Rio Grande do Sul is one of the main bases of the Landless Rural Workers Movement (MST), now Brazil's most important social movement. The MST is not just the organized expression of the struggle of the poor for a radical agrarian reform, but also the central reference point for all the forces in Brazil's "civil society" (which includes unions, churches, leftist parties, professional associations, and university teachers) that are struggling against neoliberalism.

A few months ago, PT candidate Olivio Dutra won the gubernatorial elections. For the first time in Brazil's history, one of the country's most important states is administered by a team that bases itself on socialism and the interests of working people. Olivio Dutra is a former bankworkers union director and a well-known figure on the PT's left; he defines himself, according to a conversation we had a few months ago, as a "Christian Marxist." The elected vice-governor, Miguel Rossetto, belongs, like the mayor of the state capital, to the Socialist Democracy tendency.

One of the first initiatives of the new government has been to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

keep its promise to launch the participatory budget on a statewide level. Grassroots assemblies have been held in all the state's municipalities and in the neighborhoods of the larger cities. The success of this initiative has infuriated the rightwing opposition, which controls the state legislature. (Legislative elections in Brazil traditionally favor the right, because of the way the electoral system works, but also because of the weight of "clientelism" and of voter apathy toward this type of election.) One of the leaders of the right has tried to use the courts to block the process of direct democracy. After a number of legal adventures, this attempt has failed and the assemblies have been held as anticipated.

The main problem of the new Rio Grande do Sul government is the gigantic debt to the federal government that was left by the previous governor, Antonio Britto, a politician of neoliberal orientation. Britto promised to pay this debt . . . by privatizing the state's main public services, like electricity and transportation! Olivio Dutra and his comrades, who are resolutely hostile to the neoliberal policies of dismantling and privatizing public services, absolutely rejected this solution, which was advocated both by the local right and by the federal government of President Fernando Henrique Cardoso, a former leftist sociologist who was converted to the religion of the market and turned into a fanatic for neoliberal globalization.

So a real tug-of-war has begun between the new Rio Grande do Sul government, which would rather not go on paying this absurd debt (for which it isn't responsible) and the federal government, which is threatening not to turn over to the state the part of the national revenue assigned to it. Beyond its complex technical and legal aspects, this is a political battle between the neoliberalism of the dominant classes and an attempt (which the elite considers "heretical" and highly dangerous) to provide an example of an alternative politics in service of the needs of the working class. This is a difficult fight and it is by no means certain that Olivio Dutra and his Workers Party comrades can win. Indeed, the outcome of the confrontation will depend on what happens in the other regions of Brazil and the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

attitude taken by the other governors elected by the opposition, who are generally more moderate than the one from the "red South."

The new government has initiated an interesting environmental program as well. For years, environmental defense movements and the MST have struggled against the genetically modified organisms (GMOs) that North American agro-industrial monopolies like Monsanto are trying at all costs to introduce into Brazil, with the discreet support of President Cardoso and the federal government. At stake is the protection of the environment, the health of consumers, and the autonomy of peasants, threatened by monster seeds of the Terminator variety—genetically modified to keep farmers from being able to use part of their yield to sow the land for the next season and forcing them to buy their seeds from Monsanto over again each year.

Now Olivio Dutra and his secretary of agriculture, who is close to the MST, have decided to forbid all imports of transgenetic seeds. To the great dismay of Monsanto and Co., they have proclaimed the state of Rio Grande do Sul "free from transgenetic products" and have started to set up a certification system allowing them to ensure an internationally recognized label for local products such as soy. Several European distribution companies, alarmed by consumers' refusal to buy products containing GMOs, are beginning to get interested in the "traditional" production of Rio Grande do Sul. The Agricultural Association, controlled by the big capitalists and landowners, is in favor of the GMOs and charges that the government's initiative is a "Machiavellian conspiracy to impose, along with the MST, agrarian reform. . . ."

We know, of course, that it's not possible to have socialism in one country, still less in one state. These experiments are still new and fragile; they are taking place in a country devastated by neoliberal policies, strangled by international debt, and dominated by a voracious and parasitic oligarchy; a country whose level of social inequality is one of the highest in the world, taking the form of a real social apartheid. But for those who refuse to accept capitalism as the horizon of human history beyond which

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

we cannot pass, who refuse to accept neoliberalism as the only possible form of modernity, the innovative endeavors of the socialist, environmentalist, and democratic Brazilian left represent a hope for the future.

~

The Criminal, No Less than the Capitalist, Is "Productive"

A philosopher produces ideas, a poet poems, a clergyman sermons, a professor compendia, and so on. A criminal produces crime. The criminal produces not only crimes but also criminal law, and with this also the professor who gives lectures on criminal law and in addition to this the inevitable compendium in which the same professor throws his lectures onto the general market as "commodities." This brings with it the augmentation of national wealth . . . The criminal moreover produces the whole of the police and of criminal justice, constables, judges, hangmen, juries, etc; and all these different lines of business, which form equally many categories of the social division of labour. Torture alone has given rise to the most ingenious mechanical inventions, and employed many honourable craftsmen in the production of its instruments. . . . The criminal breaks the monotony and everyday security of bourgeois life. In this way he keeps it from stagnation, and gives rise to that uneasy tension and agility without which even the spur of competition would get blunted. Thus he gives a stimulus to the productive forces. While crime takes a part of the superfluous population off the labour market and thus reduces competition among the labourers—up to a certain point preventing wages from falling below the minimum—the struggle against crime absorbs another part of this population. Thus the criminal comes in as one of those natural "counterweights" which bring about a correct balance and open up a whole perspective of "useful" occupations.

The effects of the criminal on the development of productive power can be shown in detail. Would locks ever have reached their present degree of excellence had there been no thieves? Would the making of bank-notes have reached its present perfection had there been no forgers? Would the microscope have found its way into the sphere of ordinary commerce . . . but for trading frauds? Doesn't practical chemistry owe just as much to the adulteration of commodities?. . . Crime, through its constantly new methods of attack on property, constantly calls into being new methods of defence, and so is as productive as strikes for the invention of machines. And if one leaves the sphere of private crime: would the world-market ever have come into being but for national crime? Indeed, would even the nations have arisen?

—*Karl Marx,* Theories of Surplus Value, Part 1
(Moscow Progress, 1969), pp. 387-388.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Marx@2000.com

by Andy Merrifield

Nobody seems to study Karl Marx anymore. Even in universities, once a bastion of Marxist scholarship and critical thought, students still reading Marx are pretty thin on the ground. Left-leaning young people these days are preoccupied with Derrida, Foucault, and other post-Marxist thinkers. Marx, they say, is old hat, dispatched to the dustbin of history. The working class is dead anyway, and didn't Marx's predictions about worker's revolution come tumbling down in 1989 with those giant statues of Lenin? Thinking people—even people thinking critically—thus reduce Marx's thought and vision to a series of shallow caricatures; they evidently think they know what the man said and that, frankly, it's not worth their time.

It was in such a context last spring that I embarked upon teaching a class on volume one of Marx's *Capital.* Eager for recruits, yearning to proselytize and correct popular misconceptions (yet sober about a potential lack of students due to those misconceptions), I made it known that all students would be welcome, irrespective of prior experience or knowledge. There would be no grades awarded, no fancy gimmicks accompanying our exposition. The class would simply meet once a week for an intensive three-hour session and actually read the damn book, cover to cover, word by word. We would reinvent the notion of "textbook." On the front page of the syllabus I reproduced an enlarged version of an old postcard of Marx. His great, gray mane is superimposed onto a famous shot of Marlon Brando from *The Wild One.* There's a caption emblazoned on one side of Johnny's

Andy Merrifield teaches at the Graduate School of Geography at Clark University in Massachusetts. His writing has appeared in the *Nation, Social Text, Rethinking Marxism,* and *Monthly Review.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(now Karl's) leather jacket: "Rebel With a Cause." The card is signed, "sincerely, Karl Marx." If that doesn't attract students, I thought, what will? Eventually, six inquisitive people registered for the class, not quite a Party quorum but enough, surely, for a decent discussion.

In the Marxist canon, volume one of *Capital* is an obvious choice for in-depth study: it was, after all, the only chunk of Marx's mature critique of capitalist political economy ever to make it to the printer in his own day. He labored away at this "economic shit"—as he called it—for years and years in London's British Museum. And he presided over the galleys himself, relentlessly tinkering with their form and content. Little wonder that Frederick Engels, Marx's lifelong comrade and benefactor, urged that he finish someday soon so that he might finally get the tome out for public scrutiny and arm workers in their revolutionary struggle. The text, accordingly, is an unusual amalgam: it comes across as part scholarship, part polemic, part call-to-arms.

Poet Laureate of Commodities

One of the first surprises about *Capital* is its accessibility and lively style. Marx wrote with a good deal of dash. His tone sounds more ironic than iconic, laced as it is with acerbic wit. In fact, *Capital* exhibits a comical Marx, sarcastically denouncing the bourgeoisie at the same time as he denounces himself. Marx's self-ironizing, even at times self-deprecatory, prose lightens the gravity of those big ideas, making the book surprisingly fun to read.

Take the various prefaces and the postscript, little set pieces that accompany the original German and translated editions. In one, Marx indicts the "mealy-mouthed babblers of German vulgar economics" who "grumbled about the style of my book."[1] On the other hand, Marx concedes: "no one can feel the literary shortcomings of *Capital* more than I myself." Still, he recognizes, too, what's really at stake:

> In the domain of political economy, free scientific inquiry does not merely meet the same enemies as in all other domains. The peculiar nature of the material it deals with summons into the fray on the opposing side the most violent, sordid, and malignant passions of the human breast, the Furies of private interest. The Established Church, for instance, will more readily pardon an attack on thirty-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

eight of its thirty-nine articles than on one thirty-ninth of its income.

With literary shortcomings like this, one could ask, who needs talent?

Those prefaces are tasty hors d'oeuvres for the main course to follow. In them, Marx suggests that *Capital* will "reveal the economic law of motion of modern society." Neither capitalist nor landowner, he adds, is depicted in "rosy colors." Everybody will be dealt with "only insofar as they are personifications of economic categories, bearers of particular class-relations and interests" (92). Marx, in other words, isn't so much concerned with what people think, as with what they actually do, how they act. Everybody in his plot is tangled up in complex class-relations and surrounded by "imperceptible" class structures. These somehow condition people's behavior, determine life-chances, and unevenly and unfairly limit individual choice. Here is Marx's dialectical brain at play, flipping Hegel, the erstwhile master dialectician, right side up, making his worldview rational rather than mystical, materialist rather than idealist. Now, in Marx's hand, the dialectic isn't impressed by anything, being, as he says, "in its very essence critical and revolutionary" (103).

In the early sessions of the class, I had to assuage the impatience of some of the students. I had to ask those who wanted quick answers, potted summaries, shorthand revolutionary forebodings, to back off. I hated doing this, but knew that it was Marx's own course: he presents the case for the prosecution with such dogged precision, with such painstaking analytical rigor, that we have to track him slowly and carefully. I insisted that we temper our aroused passions, at least for the time being. We mustn't move too fast, we first had to deal with the "immediate questions" before broaching any "general principles." Remember, I said, Marx's maxim: "There's no royal road to science."

We delved into the immediate questions, lingering for a while on the commodity, the "cell-form" of the capitalist mode of production. (Marx, incidentally, rarely ever uses the term "capitalism." He avoids reification and disembodied "isms." His portrayal of "modern society" is always graphic and concrete, even in the early theoretical chapters.) Commodities, we're told,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

possess a use-value, an exchange value, and a value. Value is really a social relation, human labor in the abstract, socially necessary labor time, labor that "valorizes" surplus value. But a commodity masks its own humanity, especially once it sports a "thing-like" price tag at the marketplace. At that point, it undergoes a fetishism, becomes a "citizen of the world," and few questions get asked about its real content, about the type, quality, and conditions of the labor making it: was it minimum-wage, slave, or unionized labor? Was it brutal exploitation or seductive office work? Who knows—and, moreover, who cares—since the exchange now becomes that between things, between the commodity itself and money.

Money steps in to mediate between qualitatively different kinds of commodities, reducing them all to a common, quantitative denominator. Things adjudicate other things. At the same time, money figures as a medium of exchange, enabling commodities to circulate through time and over space, helping make the world go around, yet entrenching fetishism and deepening and expanding the scope of systemic contradictions. Money pregnant with surplus value—or "money in process," as Marx called it—becomes the starting point of capital, money begetting more money, money "bringing forth a living offspring, or at least laying golden eggs" (225). The source of those golden eggs, the true source of capital, is that very special, dispensable commodity: "labor-power," one's capacity to labor. The consumption of this labor-power, Marx says, takes place in the "hidden abode of production." It is there that capitalist and laborer meet head to head for the first time; "one smirks self-importantly and is intent on business; the other is timid and holds back, like someone who has brought his own hide to market and now has nothing else to expect but a tanning" (280).

On the Rack

Marx brilliantly reveals the inner dynamics of the capitalist labor process, blowing away hazy apologetic smoke and smashing distorted bourgeois mirrors. He lets us experience for ourselves the plight of those who live only so long as they find work, and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

find work only if their labor increases capital for somebody else. Soon we realize that this isn't just a quaint Dickensian tale of hard times; it's a story about modern times as well, and of what it means to be human therein.

Now Marx glistens as a historian, political muckraker, and existentialist all rolled into one. Before long, he puts this labor process in motion, chronicling it into action during an actual working day. We see it expended for a particular duration, witness how surplus value results only from a quantitative excess of labor and from a relative diminution of necessary labor. Marx's writing here is even more inspired than ever, stunningly effective at evoking the sound and the fury of the production process and capital's "vampire-like" quest for absolute surplus value. The class struggle over the length of the working day certainly pits boss against employee, but it equally represents a struggle over the very means of life for the working class—intellectual, physical, emotional, familial, and ethical life.

The struggle still rages, of course. Marx documents the laws curbing capital's drive toward "limitless draining away of labor-power." Factory inspector's reports become the raw material he plunders, reworks, and appropriates on his own terms. Sometimes Marx mercilessly indicts their posturing and cowardice, other times he's sympathetic, tolerant of the awkward position these well-meaning state employees find themselves in.

The depiction of the different class factions involved in the drama is considerably more nuanced than many would imagine, or care to imagine. It's also unnervingly prophetic. In 1860, Marx denounces capital's "monstrous outrages," dragging "children of nine and ten from their squalid beds and compelling them to work for a bare subsistence . . . their limbs wearing away, their frames dwindling, their faces whitening, and their humanity absolutely sinking into a stone-like torpor, utterly horrible to contemplate" (353). Now we see children like Tariq, a twelve-year old Pakistani boy who crouches over the hexagonal pieces of a Nike soccer ball. He spends most of the day stitching them together for a bare sixty-cent subsistence. But this is twenty-first-century child labor, and in our age the American multinational

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

isn't alone in exploiting children: The entire soccer-ball industry deploys this lucrative business strategy—20 percent of all balls brought to the United States today have been stitched by prepubescent kids. 140 years after Marx wrote *Capital*, 250 million children worldwide still function as highly flexible and cheap labor-power. They make rugs in India, break stones in Portugal, sell flowers on Rio's streets, scrub floors in Nairobi, and, in the United States, around thirteen thousand toil in urban sweatshops, while another 230,000 harvest fruit and vegetables as farmhands.

Marx recalls the tale of Mary Anne Walkley, "twenty years old, employed in a highly respectable dressmaking establishment, exploited by a lady with the pleasant name of Elise [the Kathie Lee Gifford of her day]," whose workday was "on an average, sixteen and a half hours without a break." "Her failing labor-power," writes Marx, "is maintained by occasional supplies of sherry, port or coffee." It was June 1863, the height of the fashion season, and "necessary, in the twinkling of the eye, to conjure up magnificent dresses for the noble ladies invited to the ball in honor of the newly imported Princess of Wales" (364). But Mary Anne fell ill on the Friday and died on the Sunday, "without, to the astonishment of Madame Elise, having finished off the bit of finery she was working on." Her death, the coroner confirmed, was "from long hours of work in an overcrowded and badly-ventilated room." In March, another garment worker, Carmelita Alonzo, a thirty-five-year-old mother of five, toiled between twelve and fourteen hours per day for a firm called VT Fashion, and similarly collapsed from exhaustion at her sewing machine. She lasted a little longer than Mary Anne, dying in hospital eleven days later. According to a statement released by her co-workers, "Carmelita was killed by her fourteen-hour workday everyday plus overtime of eight hours every Sunday." Marx doesn't actually mention Carmelita, because she worked in the Philippines making blouses for the Gap in the year 1997, passing away on International Women's Day.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Opposites Attract: Despotism and Anarchy

The "Civil War" over the working day gets waged on another front, too. Exploitation isn't just blatantly absolute, it's necessarily relative as well. Indeed, any potential gains made by labor to restrict the duration of the working day—through, say, collective bargaining, unionizing drives, and strike actions—are destined to be offset by ratcheting up the intensity and productivity of work, making the job faster and more efficient within a set time frame. This extra productivity gain Marx calls "relative surplus value," and it comes about via three specific, though related, practices: cooperation, division of labor, and new labor-saving machinery and technology.

In the first case, the sheer numbers of workers being brought together, cooperating in a factory or in any economy of scale, create a new, intrinsically collective, power. On the one hand, this highlights the tremendous potential of modern men and women to transform nature and themselves and to make life fruitful. As Marx says, "when the worker cooperates in a planned way with others, he strips off the fetters of his individuality, and develops the capabilities of his species" (447). And yet, tragically, on the other hand, under current social relations, this radiant dream becomes merely "another driving motive and determining purpose of capitalist production" (449). It becomes another method, that is, to achieve value-added.

The "free-gift" of collective labor undergoes ever-greater sophistication when cooperative work is divided up into discrete, limited (and limiting) tasks within a division of labor. All liberating connections suddenly metamorphose into alienating sunderings. Now, what capital gains in kind, a worker loses in substance, since repetition and uniform activity "disturbs the intensity and flow of a man's vital forces, which find recreation and delight in change of activity itself" (460). Now, the

> same bourgeois consciousness which celebrates the division of labor in the workshop, the lifelong annexation of the worker to a partial operation, and his complete subjection to capital, as an organization of labor that increases its productive power, denounces with equal vigor every conscious attempt to control and regulate the process of production socially, as an inroad upon such sacred things as rights

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> of property, freedom and the self-determining 'genius' of the individual capitalist (477).

Perversely, then, "anarchy in the social division of labor and despotism in the manufacturing division of labor mutually condition each other.

Every student in class agreed that this was brilliantly expressed and ominously familiar. We read newspapers, listen to news, look around us, everyday. We know that today's smug prophets of globalization closely follow Marx's prognosis, forever exerting their despotism over labor at the workplace at the same time as they champion, in daily life, the anarchy of unregulated markets, the caprices and self-determining "genius" of corporations. These days, it's a veritable war of all against all, and everybody is propelled into the Hobbesian melting pot; the only authority prevailing is that of competition, the coercion exerted by the pressure of reciprocal capitalist interests. The entire world seemingly dances to the productive drives and inclinations of capital, while "the individual himself is divided up, and transformed into the automatic motor of a detail operation" (481). Ask any bank teller, factory worker, hamburger flipper, clerk, or hired hand how this detail operation feels, and what this despotism and anarchy really means.

Filling Up the Pores

Cooperation and division of labor reach a higher level of efficiency and prowess with the advent of mechanical invention. The ante is upped once machines and technological knowledge burst on to the scene. Marx takes the whole issue to heart in chapter fifteen of *Capital*, a magnificent exegesis called "Machinery and Large-Scale Industry," the book's central pillar and a radical gold mine of ideas that tells us plenty about our lives in the twenty-first century. What's going on here is more than simply the application of machinery in the factory. Indeed, as Marx suggests, technology "reveals the active relation of man to nature, the direct process of the production of his life, and thereby its also lays bare the process of the production of the social relations of his life, and of the mental conceptions that flow from those relations" (493). Changes in the means of production signal

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

changes in the mode of life, as well as changes in the ideas we have about ourselves and the world around us, prompting further changes in the means of production. So it goes, with a tantalizing dialectical beat. Think about how the human brain invented the steam engine, Fordist mass production, space travel, biotechnology, E-mail, and the Internet. But think about how these have equally invented us, successively shaped the way we look at ourselves.

For Marx, the sober materialist, these instruments of man only betoken man the instrument. In effect, machines lessen the burden. In reality, they become an "alien power," more frantically setting in motion labor-power, transforming people into mere appendages of mechanical devices, crippling true subjectivity, and ushering in the "real subsumption" of life under the domain of capital. Henceforth even a lightening of labor turns into "an instrument of torture, since the machine does not free the worker from work, but rather deprives the work itself of all content" (548). Work, we might say, gets lean and stupid, at least for the bulk of workers; and an increased expenditure of labor and heightened tension of labor-power achieves "a closer filling-up of the pores of the working day" (534).

These contradictions, needless to say, don't arise from the machinery itself,

> but out of their capitalist application. Therefore, since machinery in itself shortens the hours of labor, but when employed by capital it lengthens them; since in itself it lightens labor, but when employed by capital it heightens its intensity; since in itself it is a victory of man over the forces of nature but in the hands of capital it makes man the slave of these forces; since in itself it increases the wealth of the producers, but in the hands of capital it makes them paupers.

Remember, the United States, the most technologically advanced nation, leads the world in hours worked. The workweek continues to grow longer and longer, despite—or because of—time-saving ingenuity. Americans put in an average of 1,966 hours at work in 1997, up 4 percent from 1980, when it stood at 1,883 hours.[2] The workday pores have filled up accordingly, spurring hefty productivity hikes. This is hardly surprising, given that cellular phones, E-mail, laptops, and various hand-held electronic devices all permit lots of people to work while they're

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

traveling to work, and to work at home, at their leisure.

Science itself is complicit in the affair and in the technological expediency of production. Marx views science with a justly skeptical eye, recognizing its ability to promote life, yet equally knowing how it had become a darker, Faustian force, another practice incorporated into the competitive process. He says some pretty fascinating things about the role of science in capitalist society. A lot of these insights Marx took from his own *Grundrisse*, the raw notebooks eventually distilled into *Capital*. There, he'd written how "the accumulation of knowledge and of skill, of the general productive forces of the social brain is thus absorbed into capital."[3] Production blossoms through the technological application of science. Science, Marx reasons, thereby becomes a productive force, literally driving—and forcing—productivity forward.

Of course, Marx's worst fears about science being in cahoots with industry have been wildly surpassed. These days, brainpower—particularly scientific and high-tech brainpower—is a greater financial asset than ever before. Anybody living in the Boston area can palpably feel and see this symbiosis. The clustering of biotech and software enterprises in and around Harvard and MIT in Cambridge unprecedentedly blurs the boundaries between scientific endeavor and capitalist commerce.[4] Such research here, as elsewhere—insofar as this isn't an isolated instance—is unabashedly geared toward creating "marketable products." That some of these marketable products end up as means of production, or as some fancy device indirectly facilitating exchange value efficiency, is rarely mentioned. Neither is Marx's probing tack, worth quoting at length:

> Invention then becomes a branch of business, and the application of science to immediate production aims at determining the inventions at the same time as it solicits them. But this is not the way in which machinery in general came into being, still less the way that it progresses in detail. This way is a process of analysis—by subdivision of labor, which transforms the worker's operations more and more into mechanical operations, so that, at a certain point, the mechanism can step in his place.

A Temporary Inconvenience

The instrument of labor, when it assumes the form of a ma-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

chine, immediately becomes a competitor of the workers. Such is Marx's stance. For one thing, it becomes the most powerful weapon for suppressing strikes, "those periodic revolts of the working class against the autocracy of capital" (562). For another, a worker's productive days are numbered; superfluity beckons. This is Marx's first mention of an idea he later deepens, in chapter twenty-five, under the rubric "the general law of capitalist accumulation": the progressive production of a relative surplus population. Like paper money thrown out of currency by legal enactment, with the advent of new machine technology, Marx says, human beings themselves become unsaleable, are no longer directly necessary for the self-valorization of capital, losing both their use-value and exchange value virtues. Now this labor-power is dispensable and disposable, expelled from one branch of industry, attracted to another, pushed and shoved and cajoled into others again, swamping lower-rung labor-markets, depressing the overall price of labor.

In form, this is a handy lever of expanded capital accumulation and growth. In content, it sounds a lot like the dynamics of the Clinton boom over the last eight years.[5] Rest assured, Marx's summation won't make the pages of the *Wall Street Journal*:

> workers who have been thrown out of work in a given branch of industry can no doubt look for employment in another branch. If they find it, and thus renew the bond between them and the means of subsistence, this takes place only through the agency of a new, additional capital which is seeking investment, and in no way through the agency of the capital that was already functioning previously and was then converted into machinery. And even if they do find employment, what a miserable prospect they face! Crippled as they are by the division of labor, these poor devils are worth so little outside their old trade that they cannot find admission into any industries except a few inferior and therefore over-supplied and under-paid branches (567-568).

If that isn't a description of the plight of the downsized blue-collar worker during the 1980s, I don't know what is.

Amazingly, too, Marx guesses what lies in store for these workers; his language equally has a contemporary ring about it. Listen up for the "contingent" buzzword: "every branch of industry attracts each year a new stream of men, who furnish a contingent from which to fill up vacancies, and to draw a supply for expansion" (568). To the "great consolation" of these "pauperized

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

workers," their sufferings, Marx says, mocking bourgeois apologists, "are only temporary, 'a temporary inconvenience'" (557). These days, most of us have heard assorted economists and politicians brag about information technology single-handedly raising productivity, cutting costs for business, and allowing the U.S. economy to grow without inflation, lowering unemployment and creating work. Marx would turn this rationale on its head, puncture the technological fetishism, and give it more of a social relational spin. He'd always see increased accumulation residing in increased exploitation, in the diminution of living labor, in the progressive production of irregular, insecure, low-paid work. In fact, over the space of about ten pages, three-quarters through the machinery chapter, Marx actually charts the last fifteen years of American political-economic history with astonishing clarity and critical acumen. He likewise dispels a few myths about his own class analysis along the way.

For, he concludes, "the extraordinary increase in the productivity of large-scale industry, accompanied as it is by both a more intensive and a more extensive exploitation of labor-power in all spheres of production, permits a larger and larger part of the working class to be employed unproductively" (574). By "unproductive," Marx means "servant classes," "domestic slaves," "lackeys," constantly expanding in numbers, who toil somehow for the rich. It perhaps doesn't take too much imagination to update these occupational groupings, and in our day see this servant class in its home-care guise or as retail store and restaurant workers, janitors, or security guards. Even when Marx wrote *Capital*, the largest working-class faction wasn't the blue-collar factory variety—stereotypically recognized as his agents of revolutionary transformation—but comprised an "unproductive" servant class. And he knew that. In England and Wales in the 1860s, he notes, those employed in textile factories, mines, and metal industries, taken together, were less than the number of domestic modern slaves. "What an elevating consequence of the capitalist exploitation of machinery!" (575). Simply put, technological expansion of the productive forces actively produces a service-sector class. As the mode of production develops, what

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

looks like the disappearance of the "traditional" working class is, in actuality, a reconstitution of this traditional working class. The growth of a service class reflects a deepening of capital-labor relations, not its supersession. That we are said to be living in a high-tech, "postindustrial" society is definitive proof of Marx's class theory rather than reason to abandon it.

Totally Developed Individuality

Reading between the lines, Marx seems to tell us that the disintegration of the working class—as we knew it—is a necessary precondition toward socialism. This disintegration will steadily happen, he thinks, and we should be glad. We should be glad, too, that "modern industry" never "treats the existing form of production as the definitive one. Its technical basis is therefore revolutionary, whereas all earlier modes of production were essentially conservative" (617). In case we forgot, Marx cites here, as a reminder footnote, his famous melting vision passage from the *Communist Manifesto.* Clearly, the technologically driven society, which revolutionizes work and the labor process, as well as relations between people and their environments, is forever pregnant with its contrary. Marx has evoked so much brutality hitherto that it's astonishingly generous of him to spot immanent possibilities for something better. But he does. "Large-scale industry," he says, "by its very nature, necessitates variation of labor, fluidity of functions, and mobility of the worker in all directions." Lamentably, "in its capitalistic form it reproduces the old divisions of labor with its ossified particularities" (617).

And yet, the latent possibility for varying labor, for making it fulfilling and authentic, is real enough for sensible people to see. Technology could indeed take the stresses out of work, could shorten the workday, create abundance for anyone, liberate people from drudgery, provide more free time for intellectual and artistic nourishment. It could, in short, transform the "partially developed individual," who is merely the bearer of one detail or deskilled social function, into a "totally developed individual." So why doesn't it? Because of social relations, stupid, because of the mode of ownership, because of systems of control

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and management. The "existing relations must be adapted to permit its realization in practice" (618). Any movement struggling for freedom needs to address the power within these relations of ownership and control, and overcome the detail division of labor under which controllers prosper. The reigns of power and privilege must be wrested away from its capitalistic form, from the personifications who gladly "ossify particularities" and in people see only surplus value. More specifically, power and privilege must be wrested away from the all-powerful "financial-biotech-dot.com complex," whose integument requires bursting asunder. Today's expropriators must plainly be expropriated.

Here, however, Marx recognizes how light arrives by journeying through darkness. His version of freedom is founded upon overcoming necessity, working through it, not around it; his is a brooding dystopian utopianism, maintaining that "the development of the contradictions of a given historical form of production is the only historical way in which it can be dissolved and then reconstituted on a new basis" (619). Meanwhile,

> however terrible and disgusting the dissolution of the old family ties within the capitalist system may appear, large-scale industry, by assigning an important part in socially organized processes of production, outside the sphere of domestic economy, to women, young persons and children of both sexes, does nevertheless create a new economic foundation for a higher form of the family and of relations between sexes (620-621).

Thus Marx's vision of socialism remains at heart both revolutionary romantic and socially progressive.

Rebel With a Cause

So Marx is alive and well, after all. Six more people know that now, and I felt justifiably proud. Intellectually, in our weekly class we've corrected dumb stereotypes and learnt a lot about history, about how to structure an argument and make it rigorous, about what dialectical method really is. Politically, we've likewise learnt how Marx's *Capital* brims with life and realist hope and leaves us with a vision of an unfinished, open-ended culture, a society yet-to-come, a wish landscape glimmering somewhere on the horizon, barely visible at twilight. *Capital* is still a great book,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

worthy of study, readable on many different levels. But on every level it is a brilliant work of genius that can help us discover ourselves. How many books figuring on university curricula can lay claim to that? Marx endures as a mover and shaker, as a thinker who turned answers into questions, and questions into life-and-death politics. His tale was, and still is, about us: *de te fabula narratur*, as he said himself, long ago. The belief persists. He's indeed a rebel with a cause, and that black leather jacket on the front of my course syllabus suits him well. Karl, whattya rebelling against? Whaddya got?

NOTES

1. The version of *Capital* we studied was the Vintage edition (New York: 1977), translated by Ben Fowkes. This quotation comes from footnote two on p. 99. All subsequent citations in this essay refer to this edition.
2. See "Americans Lead the World in Hours Worked," *New York Times*, September 7, 1999.
3. *Grundrisse*, (Harmondsworth: Penguin, 1973), p. 694.
4. See for example, "Across the U.S., Universities are Fueling High-Tech Economic Growth," *New York Times*, October 8, 1999.
5. I argued this case in more detail in "Class Formation, Capital Accumulation, and the Downsizing of America," *Monthly Review*, vol. 51, no. 5 (October 1999).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TRANSITION

The world's nosiest magazine.

From Aryans in India to witches in Soweto, from necrophiliacs in Argentina to dandies in the Congo, *Transition* chases unusual stories across the globe. Essayists, philosophers, rappers, and novelists say things in our pages they would never say anywhere else.

Foreign Policy says we're "important," the *Times Literary Supplement* thinks we're "urgent," the *New York Times* finds us "cheeky."

Haven't you been minding your own business long enough? Read *Transition* and see what we'll sniff out next.

Edited by Henry Louis Gates, Jr. and Kwame Anthony Appiah

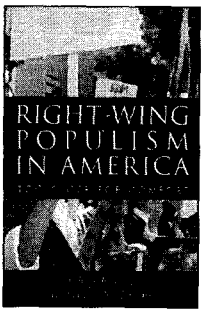
www.TransitionMagazine.com

Published by Duke University Press
Call toll-free 1-888-387-5765 (U.S. and Canada) or 1-773-645-0982 (overseas).

Winner of the 1999 Alternative Press Award for International Reporting

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Critical Perspectives from Guilford



Right-Wing Populism in America

Too Close for Comfort

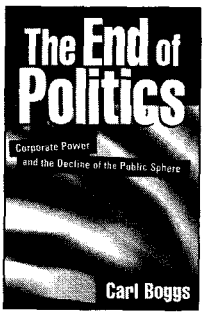
Chip Berlet and Matthew N. Lyons

NEW

"A sweeping historical account....This is an important analysis for everyone—scholars and nonspecialists alike—who wishes to understand the complex, sometimes ugly forces that have participated in shaping the American political landscape."

—Adolph Reed, Jr.

499 Pages, November 2000
Paperback: ISBN 1-57230-562-2, Cat. #7M0562, $21.00
Hardcover: ISBN 1-57230-568-1, Cat. #7M0568, $40.00



The End of Politics

NEW

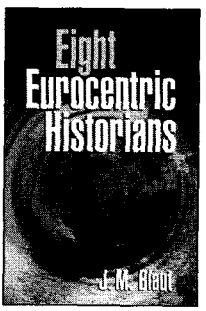
Corporate Power and the Decline of the Public Sphere

Carl Boggs

"This book demonstrates the massive decline in engagement with public issues that has taken place in the United States in recent decades, and shows the danger that this poses to democracy.... This is a thoughtful, courageous, and important book."

—Barbara Epstein

310 Pages, 2000, Hardcover, ISBN 1-57230-496-0, Cat. #7M0496, $23.95



Eight Eurocentric Historians

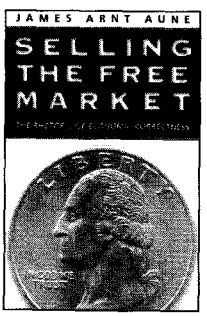
J. M. Blaut

NEW

"This book dissects and completely demolishes the ideology-dressed-up-as-theory of the eight most prominent exponents of Eurocentrism in world history, from the now classic statement of Max Weber to its contemporary bestselling versions by Jared Diamond and David Landes. A 'must' for macrosociologists and historians."

—Andre Gunder Frank

228 Pages, September 2000
Paperback: ISBN 1-57230-591-6, Cat. #7M0591, $22.00
Hardcover: ISBN 1-57230-590-8, Cat. #7M0590, $42.00



Selling the Free Market

The Rhetoric of Economic Correctness

James Arnt Aune

Forthcoming

"The book is unique, a reasoned criticism from the left of the rhetoric of the free market....It's a masterful work."

—Deirdre McCloskey

210 Pages, January 2001, Hardcover, ISBN 1-57230-598-3,
Cat. #7M0598, $23.95

Available directly from Guilford or at better bookstores.

The Guilford Press

Dept. 7M, 72 Spring Street, New York, NY 10012
CALL TOLL-FREE 800-365-7006 • Fax: 212-966-6708 • Website: www.guilford.com

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Capital Crimes: The Political Economy of Crime in America

by George Winslow

The "War" on Crime

American politicians have been declaring victory in the war against crime at least since Richard Nixon said in 1972 that "[c]rime . . . [is] finally beginning to go back down . . . [because] we have a remarkable record on the law-and-order issues, with crime legislation . . . and narcotics bills." In other words, crime declines because the government passes laws and spends money; larger prisons, more police, fewer civil liberties, and tougher punishments are winning the war on crime.

There is no question that more stringent laws and larger expenditures are the government's strategy. Federal, state and local spending for law enforcement jumped from six billion dollars in 1968 to 120.2 billion dollars in 1996, and may top two hundred billion dollars by the 2004 presidential election. And these numbers don't include the 210 billion dollars spent by businesses and individuals on security systems, insurance, and other measures to protect themselves from crime. Supporters of all this spending point to the dramatic decline in the number of homicides (from a peak of 24,700 in 1991 to about 16,900 in 1999) and in violent crimes (from a peak of 4.1 million in 1994 to about 2.8 million in 1998) as proof that the war is being won.

Unfortunately, there is one problem with the notion that our law-and-order crusade is winning the war on crime. It isn't true. The crusade was a dismal failure for many years. Violent-crime rates jumped 89 percent between 1972 and 1991, and victimization rates showed little improvement between 1973 and 1991.

George Winslow is author of *Capital Crimes*, which was published by Monthly Review Press last year. Sources for this article can be found in that book.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Even with recent declines in crime, the one trillion dollars spent by law-enforcement agencies in the last thirty-five years only managed to reduce the 1998 homicide rates to the what they were in 1967, when Nixon traveled around the country claiming that "America has become among the most lawless and violent [nations] in the history of free people."

These dismal statistics exclude many of the world's deadliest crimes. While U.S. drug use has declined, levels of addiction remain high and the global drug market continues to expand. Back in 1970, when Nixon declared war on heroin, the entire world produced about one thousand tons of opium a year. By 1973, Nixon was declaring that "we have turned the corner [in the war against drugs]," but opium production continued to increase. Today, global opium production is four times higher than it was in the early 1970s, and United Nations (U.N.) officials estimate that the global drug trade tops three hundred billion dollars.

Similarly depressing statistics can be cited for Nixon's ill-fated war on the mob. Nixon's 1970 Organized Crime Control Bill gave law enforcement agencies new powers to tap phones, trample civil liberties, and invade the privacy of individuals; these tactics were allegedly necessary to defeat organized crime. But it soon became clear that new police powers were not a magic bullet against gangsters. In the mid-1990s, U.N. researchers estimated that powerful organized crime groups—notably the Columbian cartels, the Mexican gangs, the Triads, the Mafia, the Russian crime groups, and the Yakusa—had established international operations that produced over one trillion dollars in revenues and gained control of assets worth over another one trillion dollars.

Then there are the wars Nixon didn't declare. Back in the 1960s, the Kerner Commission argued that police misconduct had played a major role in touching off urban riots in New York, Los Angeles, and other major cities. Today, police brutality and corruption remain serious problems in cities large and small. In Los Angeles, the acquittal of the police who savagely beat Rodney King in 1992 produced one of the worst urban riots in American history and prompted widespread calls for reform. Los Angeles

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

prosecutors are currently investigating another massive police corruption scandal. Officials have been forced to throw out the convictions of more than forty people, and the city may eventually have to pay at least two hundred million dollars in damages to people who had been sent to jail on the basis of fabricated evidence.

Similar stories can be found in many other cities. New York City police brutality is well-known, but other atrocities and miscarriages of justice have been committed by police in Chicago, Washington, D.C., Philadelphia, New Orleans, Denver, and Jersey City and Newark, New Jersey.

In Newark, twenty-six officers were accused of raping and robbing prostitutes and four others were arrested for stealing cars. Overall, the October 22nd Coalition, a national organization that documents and fights police brutality, estimates that more than two thousand people have been killed by law enforcement officers in the United States since 1990.

The war on corporate crime has been even less effective. In 1972, the U.S. Chamber of Commerce estimated that white-collar crimes cost the economy about forty billion dollars a year, far more than the six billion dollars the Federal Bureau of Investigation claimed was stolen by street criminals. Today, estimates of the costs of corporate crime just in the United States range from one trillion dollars to 2.6 trillion dollars. Accountancy professor Ralph Estes points out that toxic chemicals in the workplace cause 274.7 billion dollars worth of economic damage each year, and concludes that exposure to carcinogens on the job kills about 150,000 Americans each year. In sharp contrast, about seventeen thousand Americans were murdered in 1998, indicating that going to work in a polluted environment can be a lot more dangerous than walking through a high-crime neighborhood.

The Roots of the Problem

To avoid repeating this hugely expensive failure, it is important to ask fundamental questions about the causes of crime. In recent years, most American politicians have simply offered a few stock answers—violent Hollywood movies, permissive liberal ideas, the changing American family, and a general decline in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

traditional moral values. This has not only produced disastrous policies; it has also shifted the debate away from one of the key causes of crime: corporate power.

In the last half-century, corporate investment decisions have exacerbated the social problems that create crime—such as poverty and joblessness—and transformed the workings of the global economy, making it easier for criminals to launder money, pollute the environment, and expose their employees to dangerous working conditions. Some of the critical economic theories of the left, which emphasize the accumulation of capital, class relations, and imperialism, can help us examine some of the world's deadliest crimes.

Street Crime

The right never tires of exonerating society and blaming crime on the criminals. This is, of course, nonsense. To understand the important role that basic social and economic problems play in the creation of street crime, simply take a map of a major American city and put a small red dot wherever a homicide occurred. Soon small red lakes start forming in the city's poorest neighborhoods. For example, in 1993, the New York City Police Department reported that twelve of the city's seventy-four precincts—all twelve located in impoverished areas of Harlem, the Bronx, and Brooklyn—reported a total of 854 homicides (43.6 percent of the city's 1,960 murders) while twelve other precincts—all located in more affluent terrain—reported only thirty-seven homicides (less than 2 percent of the total). In general, wherever neighborhoods are plagued by extreme poverty and unemployment, extraordinarily high levels of violent crime exist.

Not surprisingly, U.S. prisons are also filled with convicts who have little formal education, lousy job prospects, and dismal incomes. One government survey of prisoners who entered state prisons in 1991 found that 64 percent had not graduated from high school, compared to 19.8 percent in the general population. About 45 percent did not have a fulltime job when they were arrested, 33 percent were unemployed, about 70 percent earned

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

less than fifteen thousand dollars a year (compared to 23.5 percent of all U.S. households), and only 15 percent earned more than twenty-five thousand dollars a year (compared to 59.2 percent of all American households).

Likewise, inmate populations are mostly people of color that have faced severe socioeconomic problems. Blacks, with unemployment rates twice as high as whites and poverty rates more than three times higher, comprise 30 percent of federal and 46 percent of state inmates, even though they make up only 12 percent of the U.S. population. Latinos, suffering unemployment rates nearly twice as high as whites and poverty rates nearly three times higher, make up 28 percent of federal and 17 percent of state inmates, but just 10.2 percent of the population. In short, the higher incarceration rates of blacks and Latinos are very strongly correlated with their higher unemployment and poverty rates.

The link between poverty and crime, however, needs to be handled with care. There is, for example, no evidence to support the view that young males of color and immigrants are "more criminal" than other members of the population. Most impoverished young men manage to get through life without committing serious violent crimes, and those who do enter a life of crime commit few of the worst crimes. Most corporate crimes are committed by wealthy, middle-aged white men, and young people of color have virtually no control over the global drug trade or money-laundering. The popularity of derogatory stereotypes also obscures the terrible impact that street crime has on less-affluent neighborhoods. We tend to forget that working and less affluent Americans are disproportionally victimized by crime. This is particularly true of corporate crime—poorer neighborhoods generally have the worst environmental problems, and working Americans are far more likely to die at work than more affluent white-collar workers. In addition, about half of all U.S. homicide victims are black. People who live in households that have less that fifteen thousand dollars in annual income are three times more likely to be raped or sexually assaulted, two times more likely to be robbed, and one and a half times more likely to be a victim of an aggravated assault than those who live

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in wealthy households.

All of this goes to show that the salient difference between high-crime and low-crime neighborhoods in urban centers is economics, not morality. Communities that offer their residents economic and social opportunities have low rates of street crime. And it also tells us why hiring more police, building more prisons, and imposing tougher sentences has not worked. Spending on law enforcement has increased astronomically and the number of people behind bars now approaches two million, but there is little evidence that punishment has had much of an impact on crime rates. Crime rates rose in the 1960s, when the number of people behind bars fell, but those numbers rose in the 1970s as the prison population skyrocketed. Street crime rates then fell in the early 1980s, as the prison population soared. But, crime rates escalated dramatically between 1984 and 1992, when the prison population increased even faster and even more draconian laws were passed. Crime rates dropped in the mid-1990s, as still more people were put behind bars. While law-and-order fanatics have taken credit for this decrease, any honest observer can see there is no connection between stiffer punishment and lower crime rates.

Prisons have been ineffective because punishment doesn't address what might be crudely called the supply of criminals. Government officials can double or triple the number of people behind bars and keep them there for longer periods of time, as they have in recent years. But crime will not decrease as long as social and economic problems create millions of new street criminals to take their place.

The effects of economic changes on crime can be seen in the recent history of poor white immigrants in major cities like New York. In the 1910s and 1920s, for example, Irish, Italian, and Jewish neighborhoods had extremely high rates of street crime. At the time, conservative commentators blamed the problem on genetics. Yet, a mere two generations later, the grandchildren of these supposedly degenerate races are generally affluent and well-educated, with low unemployment rates. Not surprisingly, their involvement in street crime has also plunged.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The success of these groups and the failure of others can be traced to the economic changes made during the New Deal in the 1930s and the early postwar period in the 1940s, which expanded the consumer economy, boosted wages, and improved educational opportunities. But these benefits were not spread equally throughout the economy.

For starters, U.S. farm policies, which encouraged the development of a capital-intensive agribusiness, pushed millions of small farmers and farm laborers out of the U.S. South, Appalachia, and Puerto Rico into Northern cities between 1940 and 1970. These new immigrants arrived at a time when government policies and corporate investment strategies were encouraging the flow of capital out of the older industrial cities and into the lower wage, nonunion urban centers and suburbs of the South and West. Massive U.S. military spending encouraged an enormous government-sponsored shift of capital from urban centers to either the suburbs or low-wage centers abroad. Domestic military spending during the Second World War was disproportionately made in suburban or Sunbelt areas, and the vast majority of postwar military spending occurred outside of urban centers.

Meanwhile, tax policies such as the interest deduction for mortgages favored suburban homeowners over urban renters and reduced investment in decaying urban housing stocks, while other aspects of the corporate tax code encouraged corporations to build new factories overseas or in the suburbs rather than remodel and upgrade urban facilities.

Over time, these capital movements destroyed the economic basis of many American cities and pushed up crime rates, despite the country's overall prosperity. In one study, Don Wallace and Drew Humphries investigated crime rates in twenty-three cities between 1950 and 1971. They looked at the connection between different types of crime and larger economic changes, such as a region's economic prospects, labor-force changes, levels of poverty, and unemployment and analyzed how this affected different types of crime. Overall, they found that older, industrial cities had lost jobs, suffered high unemployment, faced large numbers of new migrants, and had much higher levels of murder, robbery,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

auto theft, and burglary. They concluded: "This result supports our hypothesis as well as earlier studies linking industrial employment, community stability and low crime rates."

Such problems were further exacerbated in the late 1960s and 1970s. Faced with growing international competition, higher oil prices, and worldwide economic stagnation, corporate America underwent a painful restructuring. Layoffs, attacks on organized labor, the movement of factories overseas to low-wage zones, reduced government regulation, probusiness tax policies, and a wave of mergers cut overhead, boosted profits, and created more globally competitive corporate behemoths. This increased the prosperity of the richest Americans, but it also caused family incomes to stagnate, poverty rates to remain high, and wages for low-skilled workers to drop.

The economic restructuring of the 1970s and 1980s had an enormous impact on street crime, and not just in the cities. In the 1980s, crime became an increasingly worrisome problem in both rural and suburban areas as millions of workers lost their jobs, the manufacturing sector was devastated, and real wages fell dramatically. Still, America's cities and their low-wage and often minority workers suffered the most. Overall, almost three million manufacturing jobs were lost nationwide in U.S. cities between 1979 and 1990. Moreover, pay for many low-skilled jobs in the United States fell dramatically—a particularly important development because men with few skills and little formal education are much more likely to commit street crimes than other demographic groups. Wages for low-skilled white men in their twenties fell by 14 percent between 1973 and 1989, while wages for white high-school dropouts fell by 33 percent. Similarly, wages for black high-school dropouts fell by 50 percent and those for black men in their twenties fell by 24 percent during this period.

These problems were compounded by the right's successful attacks on social programs designed to eradicate the causes of crime. Between 1981 and 1992, federal spending for subsidized housing fell by 82 percent; job training and employment programs were cut by 63 percent; and the budget for community development and social service block grants was trimmed by 40

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

percent. Between 1972 and 1992, welfare and food-stamp benefits for single mothers declined by an average of 27 percent nationwide. Although welfare benefits once provided enough money for a family of four to live at the poverty level, no state in the early 1990s (when crime rates hit record highs) provided grants and subsidies equal to 100 percent of the poverty level.

Reduced wages, higher unemployment rates, and lower government benefits played a crucial role in the rise of street crime and the growth of street drug markets. Likewise, improved economic conditions in many cities after 1993 begin to explain the recent reductions in street crime. It is no coincidence that street crime rates have fallen to their lowest levels in thirty-five years in a period when unemployment and poverty rates have also dropped back to the levels last seen in the more prosperous 1960s.

The Drug Trade

Changes in the larger capitalist political economy have also played a crucial role in the development of the drug trade. While the right blames much of the drug trade on the permissive cultural values of the 1960s, it is important to remember that U.S. drug users are only one (relatively small) part of a much larger system of distribution, marketing, finance, and production that involves million of impoverished peasants (who grow the drugs), global organized crime groups (who distribute the narcotics and earn most of the profits), hundreds of thousands of poor people who sell the drugs in the United States (one Rand study notes that the average street level dealer makes about ten thousand dollars a year and most of that money goes to support his or her own habit), and large financial institutions (which launder the profits).

It is important to stress that this system came into being long before anyone had ever heard of Timothy Leary, the American psychologist and author who promoted the use of psychedelic drugs in the 1960s. Many aspects of the modern drug trade were created by European imperialism. Between 1797 and 1831, as the British opened new opium-producing regions, Chinese imports of opium skyrocketed from seventy-five tons in 1775, when the British started the Bengal opium monopoly, to 2,555 tons in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

1840. Opium became so important that, in 1839 and 1856, Britain went to war against China when the Chinese attempted to end the trade. Thanks to the forced legalization of the drug, about 27 percent of all adult Chinese males smoked opium in 1907, and the country had some 13.5 million addicts consuming thirty-nine thousand tons of opium each year. Meanwhile, the Dutch, French, and Portuguese continued to profit from the trade. They set up state-run opium dens, which encouraged the use of the drug, and they used the profits to help finance their colonial regimes.

The decline of colonialism following the Second World War ended the official state-sponsored drug trade, but the decline of colonialism also marked the beginning of the Cold War and a vicious battle for control of Asia's rich natural resources. The Cold War created the modern heroin trade, producing a deadly mixture of narcotics, peasant revolts, and political corruption. Opium production expanded exponentially, growing from fifty tons a year in 1948 to well over three thousand tons today. Currently, between 180,000 and 190,000 acres of poppy fields are cultivated in the Golden Triangle region of Burma, Thailand, and Laos, and the enterprise employs well over a million people.

In Latin America, mechanized agribusiness, imported manufacturing goods, and the debt crisis of the late 1970s and 1980s devastated many peasant economies, forcing millions of people to enter the drug trade. In Peru alone, over seventy thousand people moved into the coca-producing regions in the 1980s as the economy shrank by 20 percent, inflation hit 3,399 percent, and real wages dropped by 60 percent. In Colombia, coffee prices fell over 33 percent between 1980 and 1986 as the drug trade boomed and in Bolivia, prices for tin and natural gas plummeted as production of coca leaves skyrocketed. By the mid-1990s, Peru, Bolivia, and Colombia were earning billions of dollars from drug exports and about one million people were growing, processing, or smuggling cocaine.

Organized Crime

In the postwar period, the U.S. policy of supporting corrupt anticommunist dictatorships allowed some of the world's dead-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

liest crime groups to expand into multibillion dollar operations. Just as Al Capone relied on a corrupt Republican party machine to thrive in Chicago during the 1920s, Asian heroin smugglers and drug lords thrived under the protection of U.S.-backed dictators in Vietnam, Laos, Cambodia, Thailand, and Taiwan. As these groups smuggled more heroin into the United States, the number of heroin addicts in America shot up from about thirty thousand in 1945 to about 750,000 in the late 1960s. Similar events occurred throughout Latin America, with similar consequences, and today are taking place in Russia, where criminals now control a quarter of the country's banks.

U.S. support for corrupt but anticommunist governments in Japan and Europe also aided important crime groups. In Japan, the Yakusa, who helped conservatives crush leftwing labor unrest in the 1950s, established close ties to the conservative Liberal Democratic Party, which allowed them to operate openly and set up multibillion dollar enterprises. In Italy, an alliance was formed between the Mafia and U.S.-backed Christian Democrats, who were saved from possible defeat by the communists in 1948 by ten million dollars in covert U.S. aid. Eventually, political protection from the Christian Democrats allowed the Mafia to rebuild its power and establish a global organization producing twenty-one billion to twenty-four billion dollars in revenues in 1994.

The most important example of how larger economic changes have benefitted organized crime groups can be found in the area of money laundering. As global trade expanded after the Second World War, major multinational corporations and financial institutions created new and unregulated financial systems to make it easier for them to move goods and services internationally. By the mid-1990s, unregulated offshore banks in Panama, Hong Kong, and the Bahamas managed more than five trillion dollars worth of assets. Today, trillions of dollars worth of currency, stocks, and bonds flow across borders each day, protected by strict secrecy laws, lax government regulations, and virtually nonexistent taxes.

Unfortunately, these same features are attractive to organized crime groups and have allowed them to accumulate almost

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

unimaginable wealth. When Nixon declared his war on the Mafia in 1970, few organized crime leaders were worth more than five or ten million dollars. But, by the mid-1980s, organized crime groups in the United States were bringing in an estimated fifty billion dollars a year and, by the late 1980s, some drug cartel leaders had made it onto *Forbes* magazine's annual list of billionaires. Today, organized crime has so much economic power in countries like Mexico, Colombia, Thailand, Burma, and Russia that it will be extremely difficult to curb its operations in the future.

Corporate Crime

Corporate crime has also changed over the years in response to shifts in the larger economy. In the nineteenth century, when the U.S. economy was undergoing a period of rapid industrialization and needed a large pool of cheap labor, many examples of corporate violence—such as the use of thugs to attack labor unions—were legal. But in the late nineteenth and throughout the twentieth century, political protests and the need to modernize the economy forced political leaders to outlaw some of the worst abuses—such as child labor—and offer various kinds of protection to workers, consumers, women, minorities, and the environment. These changes, however, increased the direct cost of doing business, and political pressure from corporations has forced many countries to adopt more business-friendly policies. As a result, regulatory spending and staffing have not kept up with the expansion of the overall economy.

Quantifying the cost of corporate crime is difficult, but there is little doubt that the costs are enormous. Ralph Estes, who has compiled the best available summary of these costs, estimates that corporate crime cost the U.S. economy about 2.6 trillion dollars (in 1994 dollars). This total includes discrimination against women and minorities (165 billion dollars); workplace injuries and accident (141.6 billion dollars); deaths from workplace cancer (274.7 billion dollars); price-fixing monopolies and deceptive advertising (1.1 trillion dollars); cost of unsafe vehicles (135.8 billion dollars); cigarettes (53.9 billion dollars); other product injuries (18.4 billion dollars); environmental costs

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(307.8 billion dollars); defense contract overcharges (25.8 billion dollars); income tax fraud (2.9 billion dollars); violations of federal regulations (39.1 billion dollars); bribery, extortion, and kickbacks (14.6 billion dollars); and miscellaneous costs (82.5 billion dollars). These mind-boggling numbers actually leave out a number of other serious and costly crimes, such as money laundering, redlining, capital flight, insurance fraud, illegal attempts to destroy unions, and securities fraud.

Many of these corporate crimes directly contribute to the violence on America's streets. The ease which with money can be laundered has greatly increased the power of the global drug cartels, and their power helps to make the drug trade an intractable problem. But because easy money laundering also benefits "legitimate" businesses, the government has seen fit to ignore the laws against it and to cut the funding and staff of those agencies responsible for monitoring and eliminating it. In addition, women and people of color cannot obtain reasonably priced credit, insurance, and mortgages or rent homes in safer neighborhoods because of racial biases, poor regulation, and illegal lending practices by major financial institutions and real estate agents. Tax fraud by multinational corporations and wealthy business elites bilks government agencies out of tens of billions of dollars in revenue, making it harder to invest in social services and schools that might break the cycle of poverty and racism. Bond fraud by major financial institutions significantly increases the costs local governments must pay to borrow money, reducing the money they have for other social services.

The Politics of Crime

The disparate treatment of different types of crime is largely a matter of money. In 1996, 2.65 billion dollars was spent by candidates and political parties on federal elections, triple the amount spent in 1976, and this year's elections promise to be much more expensive. Much of this money came from business interests; businesses contributed 240 million dollars in the 1996 elections, while labor contributed one-ninth as much, or thirty-five million dollars. Today, lobbyists, most of whom represent the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

interests of the rich and powerful, spend anywhere from five to ten billion dollars to influence federal, state, and local officials. The poor, by contrast, have nothing to spend to influence the political process.

The growing economic importance of what might be called the prison-industrial complex has also influenced the politics of crime. Today, major corporations now profit from violence at home. The incarceration of poor people of color in unbelievably brutal prisons now produces huge profits for major defense contractors, which supply police departments with high-tech weapons and equipment. Wall Street firms collect lucrative fees for issuing bonds for new prisons, and wealthy investors collect tax-free interest on the bonds, which can triple the cost of building a one-hundred-thousand-dollar cell. Phone companies and health maintenance organizations aggressively bid on lucrative contracts to provide inmates and prisons with services. Contractors have grown rich on the prison construction boom. Private companies that run prisons will soon have more than one billion dollars in revenues a year.

Public spending for law enforcement also provides employment for 1.7 million people, and many soldiers work on the Pentagon's one-billion-dollar-a-year war against drugs. In the private sector, there are 1.5 million private securities guards and 960,000 people find employment in the 124 billion-dollar-a-year legal services industry. Not surprisingly, this prison-industrial complex staunchly supports law-and-order politicians. Police officers, prison guards, soldiers, and other workers now profiting from crime have long records of support for conservative politicians and now constitute a powerful voting block of several million voters. By contrast, the policy of arresting poor people for minor drug offenses while ignoring corporate criminals has decimated the political power of many communities and reduced the number of minorities who are eligible to vote. By the mid-1990s, it was estimated that about 80 percent of all black males under the age of 35 had been arrested and that some 5 million Americans had lost the right to vote because of their criminal record.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

But the power of money and special interests does not tell us everything. Over the last three decades, conservatives have deftly exploited the fear of crime to build political support for larger conservative agendas. They weaken their liberal political opponents by accusing them of being soft on crime, and they have used odious stereotypes to weaken public support for social programs, civil liberties, and racial justice. As part of this law-and-order crusade, the "deserving poor" have been transformed into crack-crazed unwed teens, gang bangers, and "children with guns." Latinos and immigrants, blamed for the nations' economic problems, are cast as minions of foreign organized-crime groups. Liberal defenders of civil liberties and more humane approaches to substance abuse are turned into dangerous secular humanists.

The larger economic changes that encouraged street crime also changed the makeup of the electorate, creating a larger political base for the right. The shift of capital out of the cities into the segregated suburbs created a large pool of increasingly conservative white voters.

Likewise, more conservative regions of the economy—notably the South, Southwest, and Southern California—benefitted heavily from the military-industrial complex, producing a staunch base of support for military adventurism and antiradical politicians. Not surprisingly, these voters have played a crucial role in the careers of Nixon, Reagan, Bush, Clinton, and many other law-and-order politicians.

The growing importance of these voters also pushed the Democrats to the right. Today, it is difficult to distinguish the record of the Clinton Democrats from their Republican rivals on issues pertaining to crime. Clinton has proudly trumpeted his record of supporting the death penalty, reducing federal aid to the cities, cutting welfare programs, and reducing staffing at government regulatory agencies. Despite his popularity with blacks, he has staunchly defended federal law enforcement policies that directly discriminate against blacks, such as the sentences for crack cocaine.

Ending these disastrous policies will take time. The politics of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fear remains a potent weapon in an era where thirty-second television ads dominate the democratic process, and the two major parties have given up all pretense of being anything other than corporate vassals.

Still, the recent declines in street crime—coupled with a backlash against police brutality and the death penalty—have allowed reformers to open up the debate over violence and crime in America. By explaining how modern political economy is a toxic byproduct of a global economy dominated by large multinational corporations and financial institutions, it may be possible to create alliances between a number of different groups (organized labor, environmentalists, civil rights activists, feminists, nongovernmental organizations in the developing world) who could push for a new anticrime policy as part of a much larger political agenda. Defining the problem of crime as a problem of abusive corporate power and analyzing its devastating effects on local communities may also give the left an opportunity to expand the debate over crime into a political critique of global capitalism. Ultimately, a progressive campaign against the real causes of crime not only offers the best hope of reducing crime in America, it also offers the left a chance to show that its longstanding focus on social and economic justice remains the best way to create a more just approach to crime.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOKS

The Levittown Legacy

by Ellen Leopold

Baxandall, Rosalyn, and Elizabeth Ewen, *Picture Windows: How the Suburbs Happened* (New York: Basic Books, 2000), 352 pp., $27.50, cloth. (Due out in paperback in January 2001.)

Judging by the number of column inches now devoted to the subject in the national press, suburban sprawl has at last come of age. The sudden popularity of the topic may reflect the fact that suburbanites now constitute a majority of Americans. The impact of 132 million Americans on the landscape is hard to ignore. If, as environmentalists claim, more than four thousand acres of farmland are being devoured by suburban sprawl every day, then the prospect of a countryside bereft of open space can no longer be dismissed as alarmist. Sprawl is so pervasive and its predations so disturbing that its dynamics appear as almost a force of nature, inevitable and uncontrollable. So it is good to be reminded, as we are in the pages of *Picture Windows*, that the origins of large-scale suburbs were, in fact, anything but accidental and that the prime mover behind their massive postwar expansion was the federal government itself.

In the wake of the Depression, just one in six Americans lived in the suburbs. Housing in cities and in borderland areas at their fringes was characterized by tremendous diversity—in its design,

Ellen Leopold was an economic policy adviser at the Greater London Council until it was abolished by Margaret Thatcher in 1986.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

financing, and patterns of tenure as well as its philosophy. The first half of *Picture Windows* provides a fascinating overview of the controversies that raged during this period. Played out in the pages of newspapers, architectural and real estate journals, housing committee proceedings (all generously cited), the debates reveal the ideological underpinnings of the arguments that would eventually win the day for the large-scale developers. The fundamental issue to be resolved was the role of government in the provision of housing.

The 1920s had witnessed the development of a variety of experimental nonprofit housing projects that seemed to extend the possibilities for rental accommodation rather than home-ownership in cities. Particularly in New York, unions and progressive real estate developers took advantage of new tax abatements to build cooperative or so-called limited dividend housing projects (the Amalgamated Clothing Workers in the Bronx and the Lower East Side of Manhattan, the City Housing Corporation in Sunnyside, Queens). Also on the Lower East Side, First Houses, built by the New York City Housing Authority in 1936, became the nation's first housing project, incorporating many improvements and communal features for its working class tenants, who paid exceptionally low (subsidized) rents.

Perhaps most ambitious of these experiments, at least in the context of suburban development, was the creation of Greenbelt, Maryland, a planned community masterminded by Rexford Guy Tugwell for the New Deal. (There were two other "green towns," one in Wisconsin and another in Ohio). In laying out the details of the "total physical, environmental, and social preplanning" of Greenbelt, *Picture Windows* demonstrates that alternatives to the Levittown, Long Island model of sprawl did exist, not just in theory but in practice. At every level of design, the Greenbelt solution took an approach that was antithetical to that associated with the private suburban development introduced by the Levitts a decade later.

The overriding organizing principle of Greenbelt's new town plan was the community itself, not the individual house. The use of safe pedestrian interior walkways to connect housing with the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

activities of the town center exemplified the designers' integrated approach to design. Commercial enterprises at the town center were all set up as cooperatives. Prospective tenants—low- rather than middle-income families—were canvassed about the kind of community amenities they wanted, as well as about their housing preferences. The housing itself (all rental) utilized seventy-one different floor plans behind identical facades and was arranged in long rows of town houses or lowrise apartments (of the almost nine hundred families that were accommodated, only five lived in detached single-family homes). Greenbelt residents took their civic responsibilities seriously, forming and running their own town government almost immediately. As Baxandall and Ewen put it, "Greenbelt illustrated how a model community built with government funds could serve the needs of the working class and poor and encourage a democratic, cooperative way of life."

All the early subsidized housing experiments, and particularly comprehensive planned communities like Greenbelt, were seen as a direct threat to private building interests. Wherever possible, agents for the real-estate lobby tried to undermine the provision of any kind of public housing as the first step towards "the destruction of our democratic, free enterprise system." A nation of renters, they argued, "was unstable and un-American" (66). Joseph R. McCarthy, a prominent player in the Senate's housing investigation of 1947 and 1948, further disparaged public housing by branding it "with the stigma of poverty" (91). He described a veterans' housing project in Queens as "a deliberately created slum area, at federal expense . . . a breeding ground for communists."

The problem, for private building capital, was that it could offer no credible alternative; its own production and financing methods were incapable of generating a profitable solution to the national housing dilemma. What they needed was exactly what they condemned as communist and un-American when applied to the nonprofit sector—massive government support. Thanks, first to the Depression and then to the Second World War, they got it.

Picture Windows makes clear that the financial success of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

postwar suburbs and particularly of Levittown (whose history anchors the second half of the book) owed a great deal to the government's response to what it perceived as a national housing crisis at the time. It was the specific measures that the government took to cope with these emergencies that first opened the door to the development of large-scale suburbs. Levittown could not have happened without them. But what began as a solution to an interwar and then a postwar crisis has become, fifty years later, a problem of global proportions whose origins, for many, are all but forgotten.

Baxandall and Ewen's reconstruction of the circumstances that created the Levitts' opportunity provides a valuable antidote to our amnesia. The Levitts (a father and two sons) had been active housebuilders on Long Island since 1929. Although extraordinarily successful, the scale of their activity was limited. The many far-reaching changes introduced by government in the 1930s and 1940s changed that. They effectively transformed the private housebuilding sector, from one plagued by inefficiencies in production and forced to operate at a modest scale in a limited and often speculative market for upscale houses, to a relatively risk-free large-scale operation with a potentially unlimited market. The government's wholesale intervention, in other words, eased the conversion of firms like the Levitts from housebuilders to developers by streamlining their conditions of both supply and demand.

The process began fifteen years or so before Levittown broke ground. First, the New Deal rationalized the organization of mortgage lending, refinancing more than a million homes threatened with foreclosure during the early years of the Depression and then introducing a system of mortgage insurance that took a great deal of the risk out of speculative development. The G. I. Bill guaranteed loans to returning veterans for the purchase of homes, putting home-ownership within the grasp of thousands for the first time. In 1941, Congress passed Title VI of the National Housing Act to promote housebuilding for defense workers. Immediately after the war, the limit on Title VI loans was raised to 90 percent of a nine-thousand-dollar house, effec-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tively supplying housebuilders with all the working capital they needed to carry out large-scale construction at minimal risk. (Early Levitt homes cost around eight thousand dollars). Federal highway-building programs guaranteed that workers newly displaced to the outlying suburbs would have easy access to jobs in the city. Shamefully, government insistence on racially segregated developments added a further spur to suburban housing demand—white fright propelling white flight.

In this context, Levittown can be viewed as the physical embodiment of government intention. The Levitts were more than willing to serve as facilitators, exploiting every advantage offered to them; in the process of building more than seventeen thousand homes between 1947 and 1951, they made themselves a fortune. The state sponsorship of their achievement, however, has been almost universally downplayed, along with their profits. In the public imagination, Levittown speaks to our interest in the *consumption* of suburban housing, not its *production*. It arouses debates on the aesthetics and social impacts of housing, not on its economics.

There have been endless arguments about the baleful influence of Levittown's architectural determinism, the presumed "connection between architectural and behavioral conformity," as one of the very early critics of suburbia put it. Those on the left have been wary of the elitism behind much of this criticism; it's hard, they argue, to miss the snobbery involved in sneering at those living a "cookie-cutter" lifestyle in a "ticky tacky" house. Many of the left, then, have been at pains to demonstrate the success of suburbanites, in rising above the limitations of design to forge real communities in practice where none existed in plan. *Picture Windows*, as its title suggests, offers more of this countervailing view from the inside looking out, based on the perspectives of Levittown residents themselves.

Baxandall and Ewen reproduce the narratives of many longterm residents eager to convey the real satisfactions of suburban life and their success in overcoming its inadequacies. Particularly interesting are the eyewitness accounts of racism in the high school in Freeport and the rise of a local black-white alliance determined to grapple with it. Equally well-documented

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

are the lives of women, the round-the-clock residents of surburban communities. Their efforts to develop and sustain childcare networks and other mutual support groups are impressive, although they may be as much a reflection of human resourcefulness as they are of Levittown's adaptability. The authors also include surprising testimony from a few African-American women whose embrace of the feminine mystique seems to have accompanied their assumption of home-ownership in the 1970s.

The experiences recounted here do help to redress the bias against suburban life that has been fostered, for the most part, by inveterate city dwellers. But dominating the second half of the book as they do, they inevitably crowd out some of the important and interesting issues raised in the first half. The authors do not investigate the wider longterm impact of suburban development—on the subsequent evolution of public housing or land-use policies, on the surrounding regional economies, or on the distribution of wealth. Instead, they shift the level of discussion from the aggregate to the individual, crafting a more nuanced portrait of suburban life from the layering of personal reminiscences.

The authors have written an engaging social history, not a polemic. As their subtitle indicates, they want to explain "how suburbs happened." Unfortunately, suburbs are still happening, at a furious pace. Inevitably, then, this book raises the question of whether the original bargain struck between government and private enterprise, which has had such profound and lasting effects, was a good one for the American public. After all, the government, at great expense, cleared away all the obstacles facing housebuilders like the Levitts and assumed all their risks. What conditions did it impose in return? As it happens, very few strings were attached to this massive public underwriting. There was certainly no attempt to impose any sense of community values on the planning or design process nor, critically, to interfere with production methods or building standards.

What cemented the bargain was the fervent commitment of both sides to the concept of home-ownership whose blessings were most perfectly realized in the detached single-family dwelling. The original Levitt house, packaged as the embodiment of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the American Dream, was, in reality, more the embodiment of a comprehensive exercise in cost-cutting. The idea of home-ownership, then, served as a kind of Trojan Horse, brought on site as cover for the introduction of retrograde building practices that would quickly set the standard for almost all suburban development. Following Taylorist principles applied to mass production, on-site building activity focused on the assembly of prefabricated materials and parts by largely unskilled and non-union labor.

What made this process practicable was a house plan that permitted direct access to the interior (by man or machine) from any point along its perimeter. It also helped that the services, appliances, and finished interiors were all restricted to the ground floor. (Levitt managed to get the local building codes changed to allow him to build houses without basements). In other words, the simplified assembly process Levitt devised depended for its success on the use of a freestanding, essentially single-story, house built on a slab on a flat site. Its universal application was, therefore, less a case of form following function or planning philosophy than one of form following financial imperatives.

Fifty years later, the opportunity costs of the Levittown solution to home-ownership seem immeasurably high. The proliferation of suburbs has reinforced an anti-urban bias whose economic and political repercussions have been profound. Their ubiquity has helped degrade the very concept of "public" housing, which has became a choice of last resort for the poorest members of society, just as Senator McCarthy had hoped. Home-ownership, by comparison, has been privileged. Allowing owners to deduct mortgage interest payments and property taxes from their taxable income has been a massive subsidy to the well-off. Among the wealthy, the greater the investment in property and the higher their income-tax bracket, the greater the benefits they receive. There is no corresponding tax break for renters. Aggravating this inequity is the increase in property value accruing to investment in private property. In the late 1940s, the federal government made no attempt to capture any of the prospective appreciation in land values that would spring from the suburban

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

developments they sponsored. Their willingness to renounce this planning gain, to open the door to private speculation among homeowners, was built into the G. I. Bill; the federal guarantee protecting home loans awarded to veterans remained in force even after the original owners sold their homes on to nonveterans. This, no doubt, helped to keep sales prices rising (a Levittown house that sold for eight thousand dollars in 1947 changed hands in 1990 for three hundred thousand dollars).

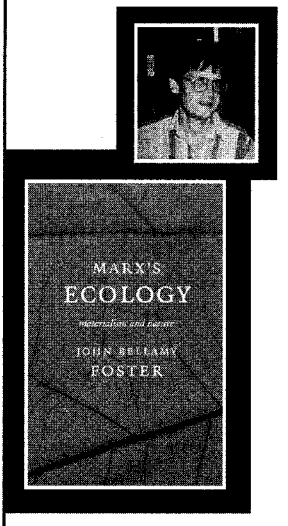
The development of suburbia, in other words, leveled the countryside, not the playing field. As Baxandall and Ewen remind us, fifty years ago it was still possible to argue for the provision of housing as a universal right. The many experiments in the 1920's and 1930's, backed by unions and by local, state, and federal governments, reflected the belief that housing working-class tenants was a public responsibility and redistribution on behalf of the poor was an acceptable strategy. What won out in the end, however, was redistribution on behalf of the prosperous.

The costs of the suburbs have been borne as much by those who remain excluded from them as by the taxpayer at large. Suburban homeowners continue to reap windfall tax breaks while those who cannot afford any kind of decent housing remain totally outside the magic circle. Federal policies perpetuate the gross inequities that its subsidies have wrought while failing to address the scale of housing need at the other end of the income scale. There is no justification for continuing these massive subsidies to the rich at the expense of the less well-off. Their repeal would not only help to redress the gross inequities in housing investment; it might also help to protect the remaining open landscape from utter despoliation. Surely it is reasonable to expect federal housing agencies to intervene once again, to put the brakes on the suburban sprawl they did so much to encourage—and to apply the accelerator to programs that have been allowed to wither away in its shadow.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PSN
Progressive Sociologists Network

Virtual Seminar
November 11-18, 2000



Please join Monthly Review Press author John Bellamy Foster for an online discussion of his new book:

MARX'S ECOLOGY
Materialism and Nature

"In the best tradition of Marxist scholarship, John Bellamy Foster uses the history of ideas not as a courtesy to the past but as an integral part of current issues. He demonstrates the centrality of ecology for a materialist conception of history, and of historical materialism for an ecological movement."

— **RICHARD LEVINS**

$18.00 paper/$48.00 cloth/300pp

TO PARTICIPATE:

Submit the following request to <majordomo@csf.colorado.edu>: subscribe PSN-seminars
For more information on **Marx's Ecology**, please visit:
<http://www.monthlyreview.org/marxecol2.htm>

Fifty Years Ago in MONTHLY REVIEW

"The American ruling class is now thoroughly committed to the war-preparations economy as the only possible method of maintaining world capitalism. The way the method works is, first, by counteracting the deadly tendency toward chronic depression at the center; and second, by supplying an enormous force to police the periphery. Policing the periphery, of course, means instant readiness to wage counter-revolutionary war against any and all peoples who show an inclination to break away from the capitalist orbit. But this is not the only kind of war threat which the set-up generates. As the military machine grows it gives birth and nourishment to the doctrine of preventive war, a doctrine which has fatal implications alike for world peace and world capitalism."

—*Paul M. Sweezy, "The American Economy and the Threat of War,"* MR, *November 1950.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

demic Book Center <http://www.acbc.com/dir.htm>). Often, in the case of major universities, this has meant little more than automatically purchasing every book released by all university presses. But recently, in the interest of efficiency, university and college libraries have been extending their approval plans to cover a select group of nonuniversity publishers.

In one case with which we are familiar, major academic departments, around which the budgets for books are organized, are each given a "profile," which consists of the nonuniversity publishers that are considered important for that particular field. All books from the publishers included in that profile are then purchased, on top of university press titles. In this particular case, the libraries' area specialist constructed a profile for a social science department. In examining this profile, this department's own faculty library representative discovered that it excluded four of the most important radical/independent publishers in the United States and Britain, including Monthly Review Press. A subsequent appeal by the department to the library to change the department's profile to include these publishers was eventually successful.

For those versed in political economy, it is clear as day that what is happening is an economic rationalization of university and college library purchases, creating monopolies for certain well-established publishers in the name of market efficiency. The result is likely to be a further squeeze on small, struggling publishers outside the mainstream. We encourage our readers who are associated with colleges and universities to take an active role in making sure that the profiles for their departments, and the approval plan for the fulfillment of university library purchases through vendors at their institutions, accurately represent the needs of the university or college in which they are engaged, and are not designed so that they shut out those radical publishers that best represent the spirit of critical social inquiry.

~

The Greek daily *Imerissa* recently featured a special 23-page supplement on Paul Sweezy, which included a reprint of Paul's essay *Cars and Cities* and photographs of Paul and comrades over the years. It sold sixty thousand copies in the Athens metropolitan area. Many thanks to Yanis Varoufakis for bringing this project to fruition. Some comments from readers of the supplement: Vassilis Droukopoulos, Economics Professor at Athens University, wrote ". . . it reminded me of the good old times when we used to think about things that mattered." And Vassilis Goulandris (an advertiser!) remarked, "How did they let you publish this supplement? Sweezy's thought is so subversive (because it is so logical) that one would have thought a financial rag would rather commit suicide than publish. . . ."

~

We are happy to welcome Andrew Nash as the Editorial Director for Monthly Review Press. Andrew was an anti-apartheid activist and taught at the University of the Western Cape in Cape Town, South Africa for twelve years. His most recent *MR* article was "Mandela's Democracy" in vol. 50, no. 11 (April 1999). Andrew was a tremendous help in organizing our trip to South Africa last February and a gracious host during the tour's visit to Cape Town. He is joined in New York by

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

his wife, Tana, and son, James. Andrew can be reached by calling the office or at <anash@monthlyreview.org>.

We would also like to welcome Claude Misukiewicz to *MR.* Claude will be here three days a week, sharing the Assistant Editor position with Vicki Larson, and comes to us from *The Nation.* Claude can be reached by calling the office or at <mrmag@monthlyreview.org>.

October 28 was Al Ruben's seventy-fifth birthday. The staff and extended family of *Monthly Review* salute our friend and comrade and wish him the very best for the future.

MONTHLY REVIEW (ISSN 0027 0520) is a publication of Monthly Review Foundation, a non-profit organization. It is published monthly except July and August, when bimonthly, and copyright ©2000, by Monthly Review. Periodicals postage paid at New York, NY and additional mailing offices. POSTMASTER: Send all address changes (Form 3579) to Monthly Review Foundation, 122 West 27 Street, New York, NY 10001. EDITORIAL AND BUSINESS: 122 West 27 Street, New York, NY 10001. Telephone: (212) 691-2555. Fax: (212) 727-3676. Email: editorial: mrmag@monthlyreview.org; circulation and subscriptions: mrsub@monthlyreview.org. Web: <www.monthlyreview.org>. Unsolicited manuscripts will not be returned unless accompanied by a stamped, self-addressed envelope. MR is indexed in the PAIS Bulletin, Historical Abstracts, America: History and Life, Political Science Abstracts, and the Alternative Press Index, P.O.Box 33109, Baltimore, MD 21218, tel.: (410) 243-2471. NEWSSTAND DISTRIBUTION: B. DeBoer, Inc., 113 E. Centre Street, Nutley, NJ 07110; Armadillo & Co., 5795 Washington Blvd., Culver City, CA 90232; Small Changes, 3443 Twelfth Avenue West, Seattle, WA 98119; Central Books, 99 Wallis Road, London E9 5LN, England. SUBSCRIPTION PRICES: U.S. one-year $29, students and senior citizens $24; Canadian $40 (Can. dollars); UK £25; other foreign $37 (USD), students and senior citizens $28 (USD). Libraries and Institutions: U.S. $48; Foreign $55 (USD). Additional postage: First Class (U.S.) $20; Airmail: (Foreign, inc. Canada) $35 (USD).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(continued from inside front cover)

are "scarce." Therefore, each individual has to make choices, and economics is the "science" of the individual's choice-making.

Economics, then, is reduced to the study of the relationship between individuals and things. Such a procedure lends itself nicely to the techniques of mathematics. Just assume that each one of our insatiable choice-makers is single-mindedly trying to maximize his or her well-being or "utility" (which is called profits when applied to the capitalists). Then economics becomes a problem of maximizing something subject to constraints (scarcity), and the tools of mathematics can be applied to find the conditions necessary for the achievement of the maximum.

Such an economics is capable of only the most trivial results. And since it takes the social relationships once central to the subject as given, it quickly becomes an ideology supportive of the status quo.

Economists increasingly gained fame not by helping to solve important social problems but by becoming masters of mathematical manipulation. Eventually the discipline was virtually taken over by abstract mathematical models and became almost completely divorced from reality, with its usefulness lying not in its practicality but simply in its scientism, which serves to disguise its ideological support of the status quo.

This conversion of economics into a sort of pseudo-physics has not gone unchallenged. In the 1930s, the Great Depression moved many economists to the left, and something similar occurred in the 1960s. Today, a new revolt is in the making. Centered in France, where over eight hundred students and 150 professors have signed petitions protesting the "excessive mathematical formalization" of economics, an anti-neoclassical movement has been spreading across Europe and even into the United States. French newspapers and magazines report that students now think of economics as a form of "autism," divorced from reality and lost in "imaginary worlds." But unlike autistic people, who cannot help their social isolation, neoclassical economists seem to revel in it and routinely deny entrance into the profession to anyone daring to profess unorthodox ideas. At a meeting in Cambridge, England, participants decried the "Stalinization" of their discipline. For some time now, schools have been removing History of Economic Thought courses from the curriculum, lest inquiring students "question or place in perspective orthodoxy."

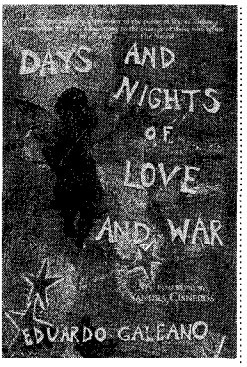
These are heartening developments and we applaud the rebellious students and teachers. While their goal now is simply to open up economics to other ideas, to create a "post-autistic" economics, we are confident that as they succeed, they will move inevitably to the one theory of capitalism that yields the most profound insights, namely Marxism. To subscribe to the postautistic economics newsletter, send an email with the message "subscribe" to <pae_news@btinternet.com>.

For some years, university and college libraries have purchased books based on approval plans, usually arranged through a single vendor (for example, Aca-

(continued on page 63)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

history & culture



NEW EDITION OF
A MONTHLY REVIEW PRESS CLASSIC

Days and Nights of Love and War

by EDUARDO GALEANO
Introduction by SANDRA CISNEROS

Days and Nights of Love and War is the personal testimony of one of Latin America's foremost contemporary political writers. In this fascinating journal and eloquent history, Eduardo Galeano movingly records the lives of struggles of the Latin American people, under two decades of unimaginable violence and extreme repression. Alternating between reportage, personal vignettes, interviews, travelogues, and folklore, and richly conveyed with anger, sadness, irony, and occasional humor, Galeano pays loving tribute to the courage and determination of those who continued to believe in, and fight for, a more human existence.

"DAYS AND NIGHTS is a testimony to the power of fear to silence a population. It is also a testimony to the courage of those who refuse to be silenced...."
— THE NATION

The Lannan Foundation awarded the 1999 Cultural Prize for Freedom to Eduardo Galeano, in recognition of those "whose extraordinary and courageous work celebrates the human right to freedom of imagination, inquiry and expression."

history & culture

178pp /$16 paper / ISBN: 1-58367-023-8
$32 cloth / ISBN: 1-58367-022-X

history & culture
Monthly Review Press

To order call: 1•800•670•9499
122 West 27th Street, New York, NY 10001 • Tel: (212) 691-2555

7 42055 79772 5
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED